



A multilevel study of service brand building

By

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Declaration of Originality

This thesis contains no material which has been accepted for the award of any other degree or diploma in any tertiary institution, and to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference is made in the text of the thesis.

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Statement of Ethical Conduct

The research associated with this thesis abides by the National Statement on Ethical Conduct in Human Research and the rulings of safety and Ethics of the Human Research Ethics Committee of the University of Tasmania.

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January, 2017

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I dedicate this thesis to my twins Ridha and Yousif - The light of my life.

Signed

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Abstract

Both marketing scholars and practitioners acknowledge that employee brand building behaviours are important to build a strong service brand (Morhart et al. 2009; Santos-Vijande et al 2013). Managing frontline service employees to act on behalf of the service brand is an important, yet challenging task for managers in service firms. Frontline employees play a central role in service branding because their behaviours bring brand promises to life and help shape customer brand perceptions (Löhhndorf & Diamantopoulos 2014; Wallace et al. 2013). Service firms must act proactively to ensure frontline employees act proactively on behalf of the service brand to achieve higher levels of service brand performance (Baker et al. 2014).

To understand how service firms master this task, this study develops a theoretical framework underpinned by transformational leadership theory and proactive motivation theory (Parker et al. 2010) to elucidate the effect of brand specific transformational leadership (BSTFL) at multiple levels within service firms. This framework also includes the mediating processes and boundary conditions that simultaneously foster employee brand building behaviours.

A quantitative research design, administering a survey protocol was used to collect data to test the theory developed. Specifically, two surveys were developed and administered to branch managers and frontline employees of multiple financial service firms in Australia, including banks and insurance firms resulting in data being collected from 52 branch managers and 259 frontline employees across four service firms. A Two-phase analytical strategy was adopted, with the first phase focusing on the measures psychometric properties and descriptive statistics, and the second phase focused on hypotheses testing.

Hierarchical Linear Modelling (HLM) was used for the multilevel hypothesis testing in the second phase.

This study offers a number of contributions to service marketing, particularly in relation to service branding theory and practice providing significant implications for financial service firms. Overall, the findings show that both BSTFL at both individual level and branch level positively influences employee brand building behaviours. Further, at the individual level, the results reveal that perceived brand authenticity and psychological empowerment partially mediate the relationship between BSTFL at the individual level and employee brand building behaviours. Moreover, BSTFL at the branch level is positively associated with initiative climate, and initiative climate is positively associated with employee brand building behaviours. Initiative climate further enhances the relationship between BSTFL at the individual level and employee brand building behaviours. In addition, the findings demonstrate a powerful impact of employee brand building behaviours on service brand performance at the branch level. Overall, this study is one of the few studies that has developed a multilevel framework in service marketing to identify the role of BSTFL and proactive motivations of employee brand building behaviours and service brand performance in financial services.

Chapter One

Introduction

1.1 Introduction

The importance of building a strong service brand has received widespread support from scholars and practitioners alike (Brodie et al. 2009; O’Cass & Sok 2015). Strong service brands are considered to be a key factor in guaranteeing firms long-term survival (Santos-Vijande et al. 2013; Zablah et al. 2010). A strong brand is essential for service firms to achieve a competitive advantage in the marketplace (Xiong & King 2015; Grace & O’Cass 2005). The underlying reason is that the strength and credibility of the service brand is a critical factor that contributes to customers’ positive evaluations of the service provided (Santos-Vijande et al. 2013). Brands also help make services more concrete, lowering search costs and decreasing perceived risks (Vomberg et al. 2015). To achieve these advantages in the market, service firms must rely heavily on their frontline employees because they create reinforce and strengthen a brand image for their firms (Miles & Mangold 2004). In service firms, frontline employees are considered as brand builders, or brand ambassadors, who deliver brand promise to customers through their brand building behaviours (Auh et al. 2016; Morhart et al. 2009; Miles & Mangold 2004; Punjaisri et al. 2013).

While it is acknowledged that employee brand building behaviours are critical for creating a strong service brand, scholars appreciate the task of getting employees to engage in brand building behaviours represents a persistent managerial challenge (Miles & Mangold 2004; Morhart et al. 2009; Punjaisri et al. 2013; O’Cass & Ngo 2011). The reason behind this challenge is mainly because

employees in services often differ in their delivery of the brand promise and they may not always represent the brand in a way desired by the service firm (Baker et al. 2014). Accordingly, all frontline employees might not be highly knowledgeable of, or competent with their brand building roles in service encounters and perform in a way to support brand values (King & Grace 2009). Within an organisational context, values refer to the beliefs an employee has regarding the behaviours and actions that should be taken (i.e., instrumental values) and/or end states that should be achieved (i.e., terminal values) (Baker et al. 2014; Rokeach 1973). Baumgarth (2009) argues that brand values reflect a basic understanding of the brand that employees interpret, and use to guide behaviour during interactions with external stakeholders. In services settings, frontline employees are considered synonymous with the brand by customers and other external stakeholders (Berry et al. 1988). Recent research reveals that only around 27% of employees think they always deliver brand's promises made to their customers (Gallup 2015). These issues and the challenges they create around service branding and the role of frontline employees' in delivering brand promises means service firms need to act proactively and motivate employees to engage in brand building behaviours.

In an effort to unlock this challenge and better manage employee brand building behaviours, a small body of research has suggested that brand specific transformational leadership¹ (BSTFL) is a key driving force for employee brand building behaviours (O'Cass and Sok 2013; O'Cass and Grace 2003; Morhart et al. 2009). However, the literature suffers from limited understanding of the processes and boundary conditions that ensure BSTFL impacts beneficially employee brand

¹ Because BSTFL is consistent with the original conception of transformational leadership, BSTFL are sometimes used interchangeably with transformational leadership in the context of this study.

building behaviours (Avolio et al. 2009; Li et al. 2013; see Morhart et al. 2009 for some exceptions).

1.2 Research gaps

Nowadays, firms' structures necessitate leaders "to lead and motivate not only individuals but also teams as a whole" (Chen et al. 2007, p. 331). Although some scholars have recommended studying leadership across multiple levels (Braun et al. 2013; Yammarino et al. 2005), research analysing the processes of transformational leadership at both individual and team² levels is still limited (Braun et al. 2013). Specifically, service branding research has been slow to embrace a multilevel view of BSTFL's effect on employee brand building behaviours. Thus, the first gap this study addresses is related to the effect of BSTFL at both individual and team levels on employee brand building behaviours. This first gap prompts the following research question.

RQ1. To what extent does BSTFL influence employee brand building behaviours?

To address this broad research question, the following sub-research questions are proposed.

RQ1a. To what extent does BSTFL at the individual level influence employee brand building behaviours?

RQ1b. To what extent does BSTFL at the team level influence employee brand building behaviours?

Further, knowledge about multilevel mediators between transformational leadership and employee behaviours is limited (Braun et al. 2013). Thus the second gap this study addresses is to unlock the mechanism of *how* BSTFL

² In this study, a team represents all frontline employees in a service branch who have same perceptions of their leader.

affects employee brand building behaviours. Although previous research has illuminated several psychological and motivational mechanisms that explain how to encourage employee brand building behaviours, relatively few studies have examined the extent that multiple factors simultaneously explain the relationship between BSTFL and employee brand building behaviours. Generally, the aim of transformational leadership is to influence followers' behaviours by linking leaders' action and communication to followers' internalised states such as the congruence between the firm's values and their personal values and psychological empowerment (Bass 1985; Bass & Steidlmeier 1999). These states according to Hannah et al. (2015) and Raub and Liao (2012) refer to proactive motivational drivers which are categorised as "can do" and "reason to" and explain how employees are proactively motivated to be engaged in behaviours that underpin superior performance.

Research adopts the view that psychological empowerment as a "can do" consequence of transformational leadership may derive from employees' beliefs in their own capabilities to fulfil their roles (Grant 2012; Spritzer 1995). The "reason to" motivational effect of transformational leadership on the other hand, is thought to be derived from persuading and inspiring followers to go above their self-interests and to internalise and support the service brand values³ including perceived brand authenticity (Baker et al. 2014). In addition, since the organisational climate in which employees as a team operates is known to impact service performance (Pimpakorn & Patterson 2010), it is argued that leaders significantly contribute to the creation of the organisational climate (Liao & Chuang 2007; Schneider et al. 2005). Given employee brand building behaviour

³ Organisational values and brand values are sometimes used interchangeably in the context of branding (Wallace et al. 2011).

has a proactive component and reflects active, responsible participation in building and improvements of the service brand (Löhdorf & Diamantopoulos 2014), initiative climate may address the proactive execution of these behaviours generally (Raub & Liao 2012). Therefore, initiative climate is thought to be another reason to motivational factor of BSTFL's effect at the team level. However, the mechanism that explains how these factors at both the individual level (i.e., psychological empowerment, and perceived brand authenticity) and team level (i.e., initiative climate) transmit the effect of BSTFL to employee brand building behaviours has not been sufficiently addressed. This second gap prompts the following research question.

RQ2. *To what extent do proactive motivational drivers across multiple levels explain the relationship between BSTFL and employee brand building behaviours?*

To address this broad research question, the following sub-research questions are proposed. RQ2a and RQ2c explain “reason to” and RQ2b underpins “can do” aspects of proactive motivational drivers.

RQ2a. *To what extent does perceived brand authenticity mediate the relationship between BSTFL and employee brand building behaviours at the individual level?*

RQ2b. *To what extent does psychological empowerment mediate the relationship between BSTFL and employee brand building behaviours at the individual level?*

RQ2c. *To what extent does initiative climate mediate the relationship between BSTFL at the team level and employee brand building behaviours?*

The third gap this study addresses is related to identifying the boundary conditions of BSTFL. As such, in addition to identifying *how* BSTFL affects employee brand building behaviours, it may also be theoretically important to identify *when* changes in employee's behaviour under the effect of BSTFL occurs. Specifically, according to Morhart et al. (2009), "*Future studies could consider additional moderator variables that might modify the impact of brand specific TFL*" (p. 137). Focusing on this point provides a better understanding of not only what motivates employees to manifest employee brand building behaviours, but also the conditions necessary for such effects to happen.

Although research into BSTFL is developing, it has been adapted from transformational leadership theory (Morhart et al. 2009). Generally, research on the boundary conditions of transformational leadership is fragmented and falls into two main categories. The first category encompasses research examining individual characteristics. The second comprises research focusing on the effect of contextual factors such as organisational climate when leadership style is transformational. For example, Benjamin and Flynn (2006) identify that leaders are more effective in motivating followers when their style of leadership sustains or fits their followers self-regulatory mode orientations (i.e., locomotion orientation and assessment orientation). Adopting the wide effect of these factors into BSTFL, it is surprising that no consideration has been given to initiative climate and regulatory mode orientations as boundary conditions of BSTFL's effect in a comprehensive multilevel model. This third gap prompts the following research question.

RQ3. *To what extent do contextual and individual boundary conditions across multiple levels moderate the relationship between BSTFL and employee brand building behaviours?*

To address this broad research question, the following sub-research questions are proposed. The RQ3a and RQ3b address the contextual boundary conditions and RQ3c and RQ3d address the individual boundary conditions.

RQ3a. *To what extent does initiative climate moderate the effect of BSTFL on employee brand building behaviours across individual level?*

RQ3b. *To what extent does initiative climate moderate the effect of BSTFL on perceived brand authenticity and psychological empowerment across individual level?*

RQ3c. *To what extent does locomotion orientation moderate the effect of BSTFL on perceived brand authenticity and psychological empowerment across individual level?*

RQ3d. *To what extent does assessment orientation moderate the effect of BSTFL on perceived brand authenticity and psychological empowerment across individual level?*

The results of previous research suggest that firms with effective employee branding achieve higher levels of performance (Lee et al. 2008; Santos-Vijande et al. 2013). Empirical evidence shows that the strategic alignment of frontline service employee behaviours with the brand values can effectively reinforce service brand performance in terms of customer-based brand equity, leading to more favourable overall brand evaluations (Sirianni et al. 2013). In addition, employees branding behaviours positively influences customer satisfaction (Chang et al. 2012). However, empirical research into the relationship between frontline

service employee brand building behaviours and service brand performance has not thoroughly examined. Specifically, there is a paucity of research considering the effect of employee brand building behaviours on consequent competitive outcomes such as service brand performance in terms of growth in number of customers, profitability, sales growth, and overall performance. This fourth gap prompts the following research question.

RQ4. *To what extent does employee brand building behaviour influence service brand performance?*

1.3 Research contributions

In addressing the research questions, this study presents a comprehensive multilevel view of building a strong service brand through motivating employee brand building behaviours. According to Parker et al. (2010), an employee's behaviour is driven by *can do* and *reason to* motivations which are regarded as indicators of proactive motivational drivers that stimulate individual goal generation and striving. While “can do” motivation is an individual's perception of her or his capability to successfully complete tasks, a “reason to” motivation is a desire of an individual to complete a broad range of tasks. Further, Parker et al. (2010) posit that these proactive motivations are influenced by various contextual factors such as leadership, organisational climate and individual characteristics. In this study, Parker et al.'s (2010) framework is used as a starting point to develop and test a comprehensive multilevel model including BSTFL and employee brand building behaviours in building a strong service brand. In doing so, this study extends the service marketing literature, and more specifically to the service branding literature and offers four contributions.

First, research examining the effect of BSTFL on service employee brand building behaviours has focused primarily on single levels of analysis, producing inconsistent findings (Punjaisri et al. 2013, Morhart et al. 2009). However, generalisation results obtained at one level to another level may lead to generation of specification errors (Liao & Chuang 2004). In order to shed more light on the relationship between BSTFL and employee brand building behaviours, this study proposes theoretical arguments regarding BSTFL at both individual and team levels to fully capture its effect on employee brand building behaviours. Examining this point is important as it contributes to the unpacking the relationships between BSTFL and employee brand building behaviours without generation of specification errors. Specifically, this contribution helps to understand whether BSTFL at one level remains important in explaining employee brand building behaviours after controlling for BSTFL at another level. This contribution thus addresses the first key gap.

Second, the study's theoretical framework enriches and refines the literature on the relationship between BSTFL and employee brand building behaviours by demonstrating two mechanisms at two levels that explain how these relationships simultaneously occur. Perceived brand authenticity as a 'reason to' motivation and psychological empowerment as 'can do' motivation are proposed as mediators to explain the relationship between BSTFL and employee brand building behaviours at the individual level. Further, initiative climate is proposed as a "reason to" mediator between BSTFL at the team level and employee brand building behaviours. This contribution addresses the second gap in prior research. This contribution is important as it enhances our understanding

of the complex relationships between BSTFL and employee brand building behaviours at both individual and team levels.

The third contribution focuses on specific boundary conditions of BSTFL and its relationships to outcomes. This study focuses on examining the role of initiative climate at the team level and regulatory mode orientations at the individual level as moderating factors that affect the relationships between BSTFL and perceived brand authenticity and psychological empowerment as well as employee brand building behaviours. The little attention to date that has been given to employee branding research has focused primarily on the effective styles of leadership (Vallaster & de Chernatony 2006; Morhart et al. 2009). No research has examined how these specific boundary conditions (i.e., initiative climate and regulatory mode orientations) that might contribute to employee branding. This is an important contribution because it responds to unaddressed calls for consideration of when managers can modify or manipulate the impact of their BSTFL (Morhart et al. 2009). This contribution addresses the third gap.

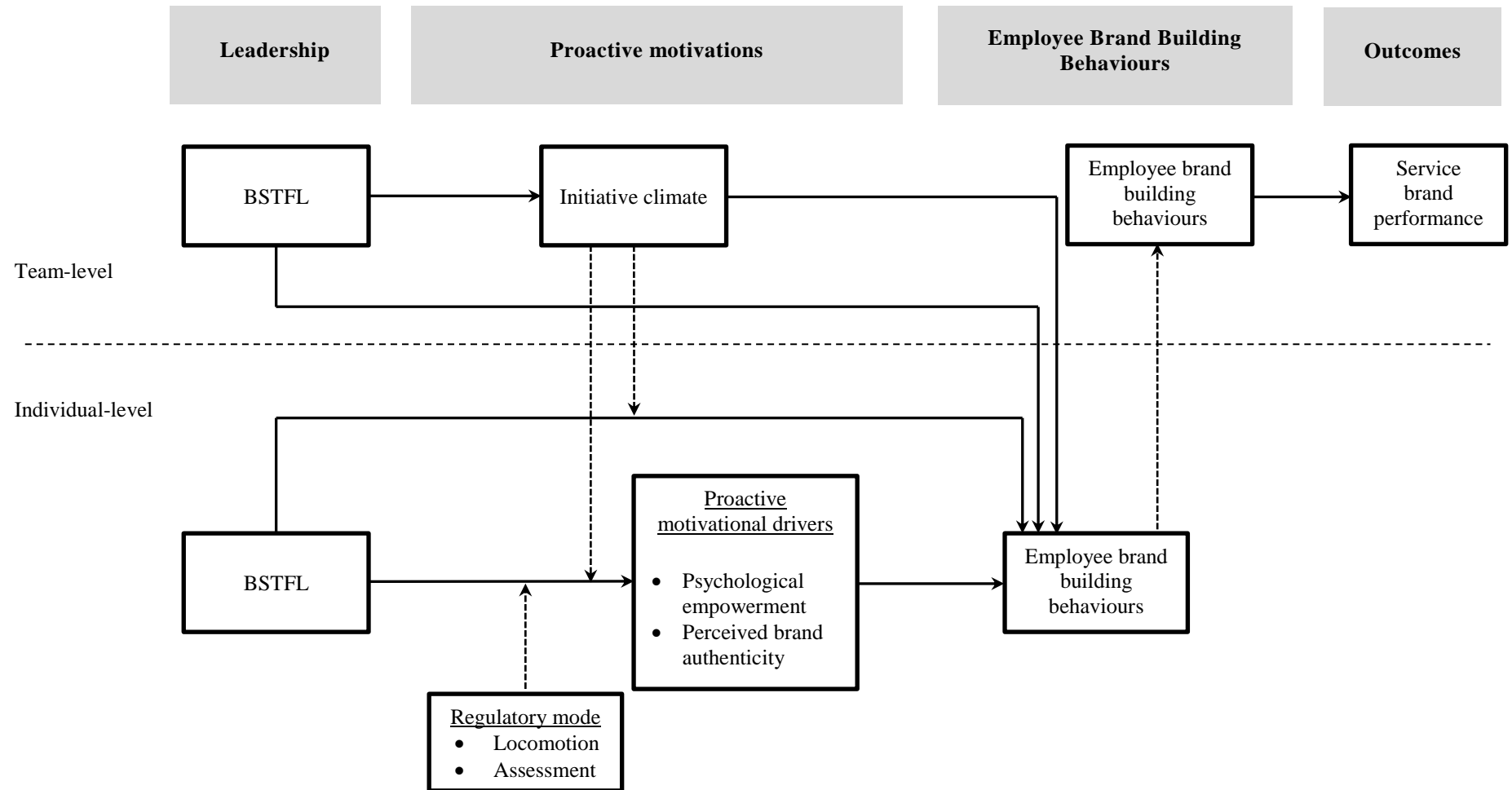
Finally, prior research suggests that firms with effective employee branding achieve superiority in brand performance (Baumgarth & Schmidt 2010). Transformational leadership is linked to customer outcomes through employee performance (e.g., Liao & Chuang 2007). Further, employee-brand strategic alignment behaviours influence overall customer brand evaluations and customer based brand equity (Sirianni et al. 2013). The focus here is on the role of employee brand building behaviours to achieve superior service brand performance. This contribution is considered important because service firms do not “perform”, it is the individuals (i.e, employees and managers) within a service firm who perform in ways that allow it to achieve desirable outcomes (Liao &

Chuang 2007). Specifically, this contribution addresses the call for empirical research into the relationships between employee brand building behaviours and service brand performance (Baumgarth & Schmidt 2010). This contribution addresses the fourth gap.

It is increasingly acknowledged that frontline service employees work at the interface between firm and customer and accordingly a multilevel perspective underlies any understanding of how they engage with both stakeholders. A unitary-level approach to service branding is simply unlikely to effectively capture the dynamics present in coordination of frontline service employees efforts, which implies the need for a multilevel perspective to tackle challenges at the firm-customer interface. “The multilevel paradigm refers to a way of thinking: considering management phenomena in context and looking for driving variables not only from the focal unit of analysis but also from levels above and below” (Mathieu and Chen 2010, p. 632). Multilevel, or meso, research can capture “. . . much of the nested complexity of real organizational life” (Klein and Kozlowski 2000, p. 211). Key to the multilevel lens is the assumption that organisational entities reside and should be studied within their nested context (Hitt et al. 2007). Accordingly, this study is of interest to service marketing, especially this focusing on multi-level issues addressing the interface between firm-customer and service branding. Service marketing research has been slow to embrace a multilevel view of BSTFL’s effect on employee brand building behaviours (Auh et al. 2014). Therefore, the academic community in service marketing can benefit from a better understanding of the relationship between leadership and employee brand building behaviour and the underlying process of this relationship. Taken together, the aim of this study is to develop and test a

comprehensive multilevel framework to build a strong service brand by illuminating the processes by which BSTFL and other related factors influence employee brand building. This study links transformational leadership in general and BSTFL in particular (Bass 1985; Morhart et al. 2009) to proactive motivation theory (Parker et al. 2010), which, in turn, relates to employee brand building behaviours and finally service brand performance. The theoretical framework of the study is labelled “*A multilevel study of service brand building*” and is outlined below in Figure 1.1. A full discussion of the framework is undertaken in Chapter Three.

Figure 1.1 – A multilevel study of service brand building



1.4 Justification for the research

The significance of services globally is widely acknowledged (Ostrom et al. 2010; O’Cass & Ngo 2011; Pugh & Subramony 2016). This significance is growing as economies are transforming from manufacturing to services (OECD 2014; Ostrom et al. 2010; Hong et al. 2013). For example, in Australia, the services sector accounts for 70% of GDP and 75% of total employment (OECD 2014). According to the Australian Industry Report (2015), the share of employment in services sector has increased by around 2.5 per cent over the past decade, which shows the increasing importance of services over time. Australia has a market share of about 1.4% of global services exports, which is double its market share in world exports of manufactured goods. Recent report (OECD 2014) shows that services are the second largest category of Australian exports after natural resources. The growth and development of Australian organisations have been different from other countries due to changes in the Australian workplace such as the influx of migrants from countries in south-east Asia, the middle-east and Africa (Chew & Chan 2008). While the service industry offers a significant contribution to employment and GDP, focusing on service firms in Australia is considered a priority and justifies this study.

With the decline of Australian manufacturing, and volatility in the mining sector, the service sector underpins the new economy which is underpinned by services. Maximising the value and productivity in services is vital to the competitive advantage service firms need to create (O’Cass & Sok 2015). Service firms face rapidly developing technologies, changing customer needs, slow productivity improvement, fierce competition and short service life cycles, all set within a global landscape (Rust & Huang 2014; Ostrom et al. 2010). A strong

service brand plays a critical role in creating superiority in the firms overall performance and increasing competitiveness.

It helps to generate higher volumes of sales and revenue over time, resists competitive attack, and creates higher earnings and strong cash flow (Siahtiri et al. 2014). Frontline employees are one of the key success factors for service firms in building strong service brands (Berry 2000; Löhndorf & Diamantopoulos 2014; Santos-Vijande et al. 2013). The growth of the service economy has not been matched by our understanding of service branding or theory of the multi-level nature of the role of frontline service employees in service branding (e.g., Wallace & De Chernatony 2009, Morhart et al. 2009). Further, literature does not provide any explanation of how service branding is effectively implemented in service firms. Specifically, we lack deep understanding of what factors underpins employees' motivation to engage in brand building behaviour (Baker et al. 2014, Boukis et al. 2014, Löhndorf & Diamantopoulos 2014). The rationale for the adoption of BSTFL lies on the view of frontline employees as 'part-time marketers' who need to adopt brand building behaviours in order to become service brand ambassadors (Morhart et al. 2009). The main contribution of this study lies on the provision of empirical evidence showing a positive link between BSTFL, employees' proactive motivations and engagement to brand building behaviours and service brand performance. From a theoretical view, this study constitutes a first step in bringing BSTFL and proactive motivations' research together and extends both areas through displaying their value for employees' motivations' response to service branding efforts. Driven by the importance of services to most economies, both service marketing and management scholars acknowledge that research on frontline service employees is a research priority

(Ostrom et al. 2015). Given the fact that according to Hurrell and Scholarios (2014) the people make the brand and Miles and Mangold (2004) service employees help to build a strong service brand, focusing on employee brand building behaviours is justified.

1.5 Definitions of key constructs

Because the literature is replete with diverse definitions of the key constructs of this study, it is important to ensure the key constructs are defined and introduced clearly in the study. Accordingly, Table 1.1 shows the definitions of key constructs used in the theoretical framework outlined in Figure 1.1. In addition, the bases and establishment of the definitions of the key constructs underpinned the theoretical framework provided in Table 1.1 are fully reviewed and discussed in Chapter Three.

Table 1.1 - Construct definitions

BSTFL	A leader's approach to motivating his or her followers to act on behalf of the corporate brand by appealing to their values and personal convictions (Morhart et al. 2009, p. 123).
Charisma/idealised influence	Acting as a role model and authentically "living" the brand values.
Inspirational motivation	Articulating a compelling and differentiating brand vision and arousing personal involvement and pride in the service brand.
Intellectual stimulation	Making followers rethink their jobs from the perspective of a brand community member and empowering and helping followers to interpret their service brand's promise.
Individualised consideration	Teaching and coaching them to grow into their roles as brand representatives
Psychological empowerment	A motivational construct manifested in four cognitions: meaning, competence, self-determination, and impact (Spreitzer 1995, p. 1444).

Meaning	The value and purpose frontline employees attach to work.
Competence	The belief that frontline employees have the capability to perform tasks effectively.
Self-determination	Perceived autonomy in the workplace.
Impact	The degree to which frontline employees can influence outcomes in the workplace.
Brand authenticity	An employee perception that a brand genuinely embodies the values it stands for in its positioning (Baker et al. 2014, p. 647).
Initiative climate	Formal and informal organisational practices and procedures guiding and supporting a proactive, self-starting, and persistent approach toward work (Baer & Frese 2003, p. 48).
Locomotion orientation	A self-regulatory mode orientation concerned with movement from state to state without undue distractions or delays (Kruglanski et al. 2000).
Assessment orientation	A self-regulatory mode orientation concerned with critically evaluating entities or states in relation to alternatives to judge relative quality (Kruglanski et al. 2000).
Employee brand building behaviour	Employees' contribution (both on and off the job) to an organisation's customer-oriented branding efforts (Morhart et al. 2009, p. 123).
In-role brand building behaviour	Frontline employees' meeting the standards prescribed by their organizational roles as brand representatives (either written in behavioral codices, manuals, display rules, and so forth, or unwritten).
Extra-role brand building behaviour	Employee actions that go beyond the prescribed roles for the good of the service brand and are discretionary.
Service brand performance	A measure of the strength of a service brand in the marketplace evidenced through growth in number of customers, profitability, sales, and overall performance (O'Cass & Ngo 2007).

1.6 Methodology

This study employed a positivistic research paradigm by using quantitative research methods (see Section 4.2.2.1, Chapter Four). The quantitative research using a descriptive research approach is deemed to be a relevant research methodology to test the hypotheses developed in this study (Figure 1.1). Accordingly, as the means of data collection, a survey protocol is used in this study to investigate the hypotheses of the study (see Chapter Four).

Following prior research, the theoretical framework of this study is tested by collecting data using a multi-informant design across multiple levels within service firms. Specifically, following Baumgarth and Schmidt (2010), two surveys were developed and administered to multiple service managers and frontline employees of multiple service firms in Australia, including banks and insurance companies. For data collection, paper and pencil surveys were administered via adopting a mail self-administrated approach. This technique is more appropriate than other data collection techniques such as computer-administrated approach or person-administrated approach that have been found less effective in improving response rates among respondents than a drop and collect approach (see Chapter Four, Section 4.2.2.3).

Measures were adopted from previous studies when available and where required with some modifications to fit the context of this study. This study follows academic community recommendations in adopting a two-step process to develop the survey instrument (Burns et al. 2008; Churchill 1979). This process involves firstly, generating a pool of items on the basis of definitions established in this study and items used in the literature (See Chapter Four, Section 4.2.2.4.1). Secondly, assessment and refinement of the measurement items were verified with the use of academic expert input (Hardesty & Bearden 2004; O'Cass & Choy 2008; Vigneron & Johnson 2004).

A two-phase analytical strategy was adopted, with the first phase focusing on the psychometrics properties, descriptive statistics and preliminary analysis of the measures, and the second phase was hypotheses testing. SPSS was used for descriptive and preliminary analysis in the first phase and Hierarchical Linear Modelling (HLM) was used for hypothesis testing in the second phase. In

particular, HLM was used to test the multilevel relationships between the study constructs. Following prior studies in testing multilevel relationships, the HLM is deemed appropriate because it “explicitly accounts for the nested nature of the data and can simultaneously estimate the impact of factors at different levels on individual-level outcomes while maintaining appropriate levels of analysis for the predictors” (Liao & Chuang 2007, p. 1012).

1.7 Outline of the study

The structure of this thesis conforms mainly to the widely adopted demonstration of doctoral dissertations that follow the outline proposed by (Perry 1998). Accordingly, the outline of the study is organised into six chapters.

In this chapter, Chapter One, an introduction and background of the study are provided, followed by the research gaps and research questions. Then, contributions and justifications for the study are presented. Definitions of the constructs and terms of the study are provided. In addition, the methodological and analytical methods adopted to implement the research are specified next. Further, the outline and the structure of the study are introduced. Finally, a conclusion is presented.

In Chapter Two, a review of the relevant literature on service branding is reviewed. This review focuses mainly on the role of BSTFL and related factors in motivating employee brand building behaviours to build strong a service brand. As the extent of employee branding in service industries is regarded to be one of the key concepts of the research, it was considered essential to review and discuss relevant bodies of the related literature to obtain a deep understanding of the state of the literature on the role of BSTFL in service brand building. Previous

literature on service branding provides a foundation to develop the theoretical framework in Chapter Three.

In Chapter Three, the development of the theoretical framework and the relationships between constructs are provided to arrive to the research model labeled as “*A multilevel study of service brand building*” and research hypotheses. The theoretical framework and hypotheses development are based on the literature review undertaken in Chapter Two. The anticipated paths and relationships are theoretically justified and help in answering the research questions presented in Chapter One.

In Chapter Four, the research design used to direct the implementation of the research is provided. In Chapter Four, a detailed discussion of the research paradigm, data collection method, and data analysis techniques is provided. Further, the chapter describes the process of measures development and sampling plan. Research tactics are outlined within the research design process which is adopted by Aaker et al. (2005); Malhotra et al. (2008) and Punch (2005).

In Chapter Five, the results of the data analyses are provided in several sections. The first section, provides the results of descriptive analysis, the second section presents the preliminary analysis in terms of the psychometric properties of the measures convergent and discriminant validities. Finally, the third section reports the results of the HLM analysis in testing the hypotheses embedded in the study’s theoretical framework.

In Chapter Six, a discussion of the findings is provided in details with specific focus on the explanation of the findings and results. Theoretical contributions and practical implications are drawn from the discussion, along with

the limitations of the study and directions for future research in the domain. The study finishes with conclusion followed by the appendices and a list of references.

1.8 Conclusion

Service firms should act in proactive ways to guarantee frontline employees are both willing and able to deliver the brand promise in a consistent way (i.e., engage effectively in brand building behaviours). Although some have attempted to explicate how to instil a firm's brand values in employees and motivate them to manifest employee brand building behaviours, it is recognised here that much remains to be learned about potential multilevel processes by which service firms can motivate employee brand building behaviours in building a strong service brand.

Chapter Two

Literature Review

2.1 Introduction

Service brand values and promises are delivered through the interactions between frontline service employees and customers (De Chernatony & Cottam 2006; King & Grace 2009; O’Cass & Sok 2015). In these interactions, frontline service employees is argued to have a critical role in shaping the customers’ experience because customers’ assessment of the service brand is significantly influenced by the actual brand performance delivered by frontline service employees (Baker et al. 2014; Miles & Mangold 2004; Morhart et al. 2009).

Given that frontline employee behaviours influence customers’ brand experiences, it is important that frontline service employees are motivated and able to deliver services that are consistent with both customer and firm expectations (Baker et al. 2014; Xiong & King 2015). Further, the term employee brand building behaviours has become synonymous in capturing the role of how those behaviours supporting the image of a service firm (Löhdorf & Diamantopoulos 2014; Miles & Mangold 2004; Morhart et al. 2009). Further, to build and sustain the consistency between actual service brand performance and customer brand expectations, the crucial role of managers in motivating employee brand building behaviours to build strong service brands has been identified in the literature (Morhart et al. 2009; O’Cass & Sok 2015; Sok & O’Cass 2015).

In bringing attention to employee brand building behaviours in services, this study follows the suggestion of Hart (2001) to review existing literature and what has been done by scholars in this context. According to Hart (2001), a

researcher needs to know about the contribution of previous researchers to the literature that is relevant to the topic of interest. Hart (2001) believes reviewing the existing literature helps establish foundations for the development of the research framework. Therefore, the aim here is to review and analyse existing literature to establish a basis to develop the theoretical framework and hypotheses in the next chapter. This chapter begins by reviewing and analysing of relevant literature focusing on employee brand building theorising.

2.2 Employee brand building behaviours

As discussed in Chapter One, Section 1.1, frontline employees are considered as brand builders, or brand ambassadors, who deliver brand promise to customers through their brand building behaviours (Auh et al. 2015; Miles & Mangold 2004; Morhart et al. 2009; Punjaisri et al. 2013). The concept of employee brand building behaviours was first introduced by Miles and Mangold (2004) to echo the idea that employees can engage in different behaviours to build and strengthen the brand image of their firm. However, some researchers also argue that the task of getting frontline employees to engage in branding behaviours is a challenge for many service firms (Baker et al. 2014; Miles & Mangold 2004; Morhart et al. 2009). Recently, employee brand building behaviour has attracted research and managerial attention focusing on addressing this challenge. The literature also indicates that scholars use different terminologies and measures when focusing on employee brand building behaviours. However, the literature supports the view that employees engage in brand building behaviours when they are motivated to internalise brand vision and mission (Morhart et al. 2009). Table 2.1 provides a

summary of the literature review focusing on terms and measures of employee brand building behaviours.

Table 2.1: Summary of the literature identifying terms and measures of employee brand building behaviours

Authors and source	Research type	Type of behaviours	Definition	Measure
Miles and Mangold (2004)	Conceptual paper	Employee branding	The process by which employees internalize the desired brand image and are motivated to project the image to customers and other organizational constituents (p. 68).	-
Burmann and Zeplin (2005)	Conceptual paper	Brand citizenship behaviours	Individual voluntary behaviours outside of role expectations (non-enforceable functional extra-role behaviours) that are not directly or explicitly acknowledged by the formal which enhance the brand identity (p. 282).	-
Henkel et al. (2007)	Research paper	Quality of behavioural branding	Any type of verbal and non-verbal employee behaviour that directly or indirectly determines brand experience and brand value (p. 311).	6 item measure.
Morhart et al. (2009)	Research paper	Brand building behaviours	Employees' contribution (both on and off the job) to an organisation's customer-oriented branding efforts (p. 123).	3 items (In-role), 3 items (WOM), 3 items (Participation), 3 items (Retention).
Baumgarth and Schmidt (2010)	Research paper	Internal brand equity	The incremental effect of branding on employee behaviour (p. 1250).	1 item (Brand Loyalty), 5 items (Intra-role), 2 items (extra-role).
Sirianni et al. (2013)	Research paper	Employee- brand alignment	The level of congruence between the employee's behaviour and the brand personality (p. 109).	script

Table 2.1: Continued

Authors and source	Research type	Type of behaviours	Definition	Measure
Baker et al. (2014)	Research paper	Brand building behaviours	Employee brand building behaviours consist of two dimensions named service ability and brand citizenship behaviours .	4 items (Service ability), 3 items (Brand citizenship behaviours)
Boukis et al. (2014)	Research paper	Brand-supporting behaviour	-	7 item (Brand citizenship behaviours).
Löhndorf and Diamantopoulos (2014)	Research paper	Brand building behaviours	Employee behaviours (both on and off the job) that contribute to an organisation's branding efforts (p. 311).	3 items (Brand-congruent behaviour), 4 items (Customer-oriented behaviour), 3 items (Participation in brand development), 4 items (WOM).

Note: this table provides a summery for some studies from the wide literature.

As shown in Table 2.1, a number of terms, definitions, and measures representing employee brand building behaviours exist in the literature. Researchers use terms such as employee branding (Miles & Mangold 2004), employee brand building behaviours (Morhart et al. 2009), internal branding (Baker et al. 2014). Other terms such as brand supporting behaviours (Boukis et al. (2014), branded service encounters (Sirianni et al. 2013), brand citizenship behaviours (Burmam & Zeplin 2005), and quality of behavioural branding (Henkel et al. 2007) are used in the literature.

Interestingly, regardless of differences in the terminologies used, all terms refer to the type of behaviours employees undertake to strengthen the brand image. This proposition is supported by the assessment of definitions presented in Table 2.1. However, researchers differ in their opinion about the type of behaviours that support the brand image. For example, Miles and Mangold (2004), Burmann and Zeplin (2005), and Sirianni et al. (2013) agree that employees have to first internalise the brand's values, then be able to demonstrate those brand values to customers and other entities. In their view employees internalise brand values when their own personal values and identity fit with or are congruent with the brand's values and identity. However, other researchers believe employees have to engage in different activities (e.g., service ability, brand advocacy WOM, brand commitment) inside and outside of the firm to be considered brand champions (i.e., employee brand building behaviour) (Baker et al. 2014; Boukis et al. 2014; Henkel et al. 2007; Morhart et al. 2009).

An analysis of the papers presented in Table 2.1 reveals that researchers have devoted a great deal of effort to understand the antecedents of employee brand building behaviours and the different types of behaviours that may

demonstrate being a brand champion. For example, Miles and Mangold (2004) argue, if employees engage in behaviours that deliver consistent service quality, customer will have consistent service experiences through their interactions with the firm. For Miles and Mangold (2004) the main identifier of brand building behaviour is when employees engage in, in-role behaviours that are the behaviours the firm expects employees undertake to support the brand promise. Therefore, they suggest that if employees consistently demonstrate specific behaviours such as courtesy, responsiveness, reliability, helpfulness, and empathy, they have internalised the brand's values and act according those values. However, Miles and Mangold (2004) also believe employees need support from their leaders to internalise brand values and deliver a consistent brand image.

While Miles and Mangold (2004) focus on in-role behaviours, Burmann and Zeplin (2005) argue employees have to engage in activities that go beyond organisational boundaries which are referred to as brand citizenship behaviours. Burmann and Zeplin (2005) relied on identity theory and developed a conceptual framework, advancing the idea that employees engage in brand citizenship behaviours when personal values fit within the values of the brand and they adopt the brand identity. However, consistent with Miles and Mangold (2004) they believe employees should receive strong organisational support to live the brand and become brand champions.

While Miles and Mangold (2004) and Burmann and Zeplin (2005) attempt to develop theory by proposing conceptual frameworks, others have sought to empirically validate the theory developed by previous researchers. It appears there are two empirical stream of research in this area. The first stream of research focuses on external organisational routines and resources to support employees

brand building behaviours and the second stream focuses on internal motivation and employees attitudes and congruency with the brand's values and personality with the values and personality of employees.

Stream one - external motivation: organisation support brand building behaviours

The first stream of research focuses on the motivation that a firm provides to employees to become brand builders. For example, Henkel et al. (2007) focus on the effect of external messages on employee brand building behaviours. They argue employees are brand ambassadors when they engage in brand citizenship behaviours and consistently behave inline with the external messages communicated to external audiences. Further, they show brand citizenship behaviours are supported by formal controls and employees' autonomy. However, it appears Henkel et al. (2007) ignore the role of employees' job conditions and characteristics to adopt brand building behaviours. This shortcoming still presents itself in subsequent research. For instance, Baumgarth and Schmidt (2010) view employee brand building behaviour as a demonstration of internal brand equity and conceptualise it as a multi-dimensional construct including in-role, extra role, and brand loyalty of employee. According to Baumgarth and Schmidt (2010), internal brand equity is the incremental effect of branding on employee behaviour. However, Baumgarth and Schmidt (2010) distinguish their work by focusing on strategic branding and argue the employee brand building behaviour is the outcome of a firm's brand orientation practices and internal knowledge about the brand.

Stream Two - internal motivation: congruency between employee's personality and value and brand personality and values

Within this stream of research consensus seems to exist agree that congruency between brand values and employees personal values are the main antecedents of employee brand building behaviours (Baker et al. 2014; Boukis et al. 2014; Löhndorf & Diamantopoulos 2014; Morhart et al. 2009; Sirianni et al. 2013). Interestingly, Morhart et al. (2009) compensate for the shortcoming of the literature in stream one which mainly focuses on organisational resources and their role in employee brand building behaviours. Morhart et al. (2009) view employee brand building behaviour as possessing two sides - in-role and citizenship behaviours. They bring attention to the role of different leadership styles on employee brand building behaviours and consider the employees' psychological needs and motivation at work.

An examination of this literature indicates that Sirianni et al. (2013) seem to be the first group of researchers in this second stream to empirically tackle the authenticity of employee brand building behaviours. They propose a connection between employee's personality and brand personality. Sirianni et al. (2013) adopt a strategic view towards employee brand building behaviour and label it a "employee- brand alignment". According to Sirianni et al. (2013) a high level of employee brand alignment occurs when there is coherence between brand personality and employee behaviours.

Subsequent to the work of Morhart et al. (2009) and Sirianni et al. (2013), Baker et al. (2014) focus more specifically on aspects of in-role behaviour, particularly the ability of employees to provide the service to customers. They also include brand citizenship behaviours as a part of employee brand building

behaviours. However, the point of departure in Baker et al. (2014) is using social influence theory and focusing on identification and internalisation to address the effect of internal branding strategies on employee attitudes and its consequent outcomes.

Further, building on a similar philosophy to previous studies in the second stream, Löhndorf and Diamantopoulos (2014) also consider both in-role and brand citizenship behaviours as indicators of employee brand building behaviours. However, they introduce customer orientation behaviours as a part of in-role branding behaviours. In their work, Löhndorf and Diamantopoulos (2014) mainly focus on employees internal motivation toward brand building behaviour.

Overall, an examination of the literature on employee brand building behaviours revealed that researchers first started to develop theory on the nature of employee brand building behaviours, its motivation, and how firms can support employee brand building behaviours. Paralleling this work, researchers have also adopted the previously developed theories building two streams of research. Further, an analysis of the literature on employee brand building behaviours reflects different scholarly assumptions about defining and measuring employee brand building behaviours. Although it is clear that the number of studies in this area is growing, the role of BSTFL as a key factor in motivating employee brand building behaviours is still at the early stages (Morhart et al. 2009). Specifically, the processes and boundary conditions of BSTFL creating beneficial work behaviours such as employee brand building behaviours has not been sufficiently addressed in the literature (Avolio et al. 2009; see Morhart et al. 2009 for some exceptions).

2.3 Brand specific transformational leadership (BSTFL)

In general, a transformational leader is the one who motivates followers to go above the expectations by changing their interests, ideals, values, and morale (Bass 1985; Pieterse et al. 2010). Since its introduction, transformational leadership theory has evolved to describe specific behaviours of leaders. These behaviours are core facets that describe transformational leader behaviours namely; idealised influence or charismatic behaviour, intellectual stimulation, inspirational motivation, and individualised consideration. Some scholars state these behaviours reflect the motivational foundation of transformational leadership which is a process of influencing the way followers envision themselves (Tse & Chiu 2014).

For example, by articulating an arousing vision, transformational leaders inspire and stimulate their followers, thus increasing their motivation and efforts on behalf of the firm (Bai et al. 2016). Transformational leaders empower their followers, improve their sense of collective efficacy and express higher expectations on followers confidence and their abilities which increases their ability and persistence to overcome obstacles and difficulties (Boehm et al. 2015).

Transformational leadership has been the focus of considerable research as a key determinant of wide range of desirable employee outcomes such as employee motivations and performance through culture, values, and vision. For example, Wieseke et al. (2009) argue that leaders play a vital role in motivating employees through instilling the organisations culture, values, and vision in employees. Further, Vallaster and de Chernatony (2006) emphasis the vital role of leaders play in motivating, driving and building employee branding behaviours in creating strong service brands.

In introducing transformational leadership into the service branding literature, Morhart et al. (2009) define BSTFL as “a leader’s approach to motivate his or her followers to act on behalf of the corporate brand by appealing to their values and personal convictions (p. 123). In measuring BSTFL, Morhart et al. (2009) are among the first researchers to use the Multifactor Leadership Questionnaire MLQ⁴ and incorporate brand values and specifically focus on the effect of BSTFL on employee brand building behaviours.

In the view of Morhart et al. (2009), BSTFL entails four brand goal specific characteristic behaviours. First, through brand-specific adaptation of charisma/idealised influence; a transformational leader acts as a role model and authentically lives the brand values. Second, through brand-specific adaptation of inspirational motivation; a transformational leader articulates a compelling and differentiated brand vision and stimulates personal engagement and pride in the service brand. Third, through brand-specific adaptation of intellectual stimulation, a transformational leader empowers and helps followers to understand their service brand’s promise and its implications for work in their individual ways. Finally, through brand-specific adaptation of individualised consideration, a transformational leader motivates followers to grow into their roles as brand builders.

Morhart et al. (2009) propose a brand specific transformational leader allows employees to experience they are empowered in their roles as brand builders, which would ultimately enhance their identification with the brand, behave in authentic and proactivity way that characterise real brand champions

4 The Multifactor Leadership Questionnaire (MLQ—also known as MLQ 5X short or the standard MLQ) developed by Bass and Avolio (1997) identifies the characteristics of a transformational leader and helps individuals discover how they measure up in their own eyes and in the eyes of those with whom they work.

(Morhart et al. 2009). However, reviewing the literature indicates there are two streams of research with one focuses on individual level and another on multiple levels of analysis. Table 2.2 summerises and identifies relevant studies that are related to transformational leadership in general.

Table 2.2: Summery of relevant studies that are related to transformational leadership

Authors and source	Leadership and Level of analysis	Mediators	Moderators	Dependent variable	Major findings
MacKenzie et al. (2001)	Transformational and transactional leadership at individual level.	Trust in manager	No	In-role and extra-role sales performance	Trust in manager mediates transformational -extra-role performance relationship.
Benjamin and Flynn (2006)	Transformational and transactional leadership at individual level.	No	Regulatory mode orientations (Locomotion and assessment)	Extra effort and leadership effectiveness	In the light of transformational leadership, locomoters but not assessers.have higher level of performance.
Liao and Chuang (2007)	Transformational leadership at individual and work-unit level.	Service climate at work-unit level and self-efficacy at individual level.	Service climate	Employee service performance and customer relationship outcomes.	Transformational leadership at store level did not have a direct effect on service performance. Service climate did not mediate the relationship between transformational leadership at store level and service performance. Service climate moderated the effect of transformational leadership at the individual level. Transformational leadership at the individual level has a direct and indirect effect through self-efficacy on service performance. Employee service performance enhanced customer intention to maintain relationship and number of long-term customers served per day.

Table 2.2: Continued

Authors and source	Leadership and Level of analysis	Mediators	Moderators	Dependent variable	Major findings
Chen et al. (2007)	Leadership at team level.	Team empowerment at team level and individual empowerment at individual level	The relationship between individual empowerment and performance is moderated by team empowerment.	Individual and team performance	Team empowerment partially mediated the relationship between leadership climate and team performance while individual empowerment partially mediated the relationship between leader-member exchange and individual performance
Morhart et al. (2009)	Transformational and transactional leadership at individual level.	Internalisation (compliance) as the mediating mechanism for Transformational and transactional leadership.	Transactional leadership moderates the effect of transformational leadership.	Employee brand building behaviours (in-role, extra-role brand building behaviours and retention).	Transactional but not BSTFL has a direct effect on extra-role brand building. BSTFL's effect is mediated via internalisation.
Pieterse et al. (2010)	Transformational and transactional leadership at individual level.	No	Psychological empowerment	Innovative behaviour	The relationships between both transformational and transactional leadership and innovative behaviour were moderated by psychological empowerment.
Hannah et al. (2015)	Transformational leadership at individual level.	Value internalisation, Role self-efficacy	No	Task Performance, Intentions to report peers' transgressions	Value internalisation and role self-efficacy partially mediated the influence of transformational leadership on followers' performance and intentions to report peers' transgressions.

First stream of research: leadership at individual level

Transformational leadership at the individual level indicates to the leader behaviours perceived and experienced by an individual employee. In essence, it is regarded by some scholars as a type of “discretionary stimulus” that communicates to individual employees differentially (Wang & Zhu 2010; Liao & Chuang 2007). In this stream of research, two approaches to transformational leadership have developed. Some researchers examine *when* a specific leadership style impacts on employees behaviour (moderators), while others investigate *how* a specific leadership style affects employee behaviours (mediators). Taking the first approach, previous researchers have suggested that individuals may differ in their reactions to the same leadership behaviour according to individual characteristics. For instance, Benjamin and Flynn (2006) focus only on a leadership style may sustain or fit followers’ regulatory mode orientations (i.e., locomotion and assessment orientations) at individual level. While locomotion orientation is defined as an orientation towards movement from a present state towards a desired or valued end-state without delays or undue distractions, assessment orientation is defined as an orientation towards critically comparing and evaluating states or entities in relation to alternatives in order to judge relative value (Kruglanski et al. 2000). Benjamin and Flynn (2006) found that transformational leaders are more effective in motivating their followers when there is a high degree of with followers’ locomotion and assessment orientation encompassed within their regulatory mode orientations. That is, locomotion oriented people have higher level of performance. Interestingly, their findings show leaders are not effective in motivating employees who are assessment oriented.

Benjamin and Flynn (2006) justify this by arguing that transformational leadership style emphasises movement from state to state and people with a strong locomotion orientation prefer movement, while assessment orientated people prefer evaluation. Further, Pieterse et al. (2010) also focus on individual characteristics and argue that the motivating and inspiring nature of transformational leadership is more effective in stimulating followers innovative behaviour when they feel more able to proactively impact their environment and work role such as psychological empowerment is high. In other words, follower psychological empowerment moderates positively the relationship between transformational leadership and innovative behaviour. Another research focuses on the moderating effect of contextual factors to improve leadership effectiveness. For example, research has found that perceived initiative climate moderates the relationship between transformational leadership and followers' innovation implementation behaviour (Michaelis et al. 2010). That is, in high levels of initiative climate respond more favorably to their transformational leader behaviours because they believe that top management encourages and work effectively toward the change-initiatives goals. According to this review, this stream indicates that both contextual and individual factors are important in determining the effectiveness of transformational leadership in motivating employees.

The second group of researchers in this stream focus on identifying how leaders can transform employee behaviours. In this stream, researchers examine the role of trust in leadership (Punjaisri et al. 2013; MacKenzie et al. 2001), trust in the corporate brand (Punjaisri et al. 2013), and and internalisation (Morhart et al. 2009). Recently, Hannah et al. (2015) focus on dual processes of

transformational leadership in promoting performance and peer norm - enforcement at the individual level. Building on proactive motivation theory (see Parker et al. 2010), Hannah et al. (2015) found that value internalisation and role self-efficacy were partial mediators in the relationship between transformational leadership and followers' performance.

Second stream of research: leadership at team level

Transformational leadership at the team level indicates to the overall pattern of leadership behaviours communicated to the whole work unit (Wang & Zhu 2010; Liao & Chuang 2007). This overall pattern is viewed as a type of “ambient stimulus” that is shared among team members and encompasses the work unit (Hackman 1992). In line with this, the second stream of research focuses on the motivational influences of transformational leadership at the team level. In this stream of research, scholars argue that transformational leadership is a multilevel phenomenon that is likely to function through different processes at multiple levels within firms. Liao and Chuang (2007), for example, argue that transformational leadership at team level improves service performance partially through transforming the overall service climate.

Also, Chen et al. (2007) show team empowerment at team level partially mediated the transformational leadership climate-team performance relationship. Additionally, Braun et al. (2013) examine a multilevel mediation model of trust in the supervisor at the individual level and trust in the team at the team level in the relationship between transformational leadership and job satisfaction at the individual level and team performance at the team level. Their findings show that trust in the supervisor mediates the relation between individual perceptions of transformational leadership and job satisfaction. Yet, trust in the team did not

mediate the relationship between team perceptions of transformational leadership and team performance.

Overall, although there is a necessity of managers to successfully lead individuals and teams, empirical findings about the multilevel nature of leadership and its outcomes have been largely lacking to date (Auh et al. 2014; Braun et al. 2013). As shown in Table 2.2, scholars adopt different processes (i.e., mediation and moderation) to link transformational leadership to employee behaviours and performance with some scholars focusing on individual level and others on multiple levels. However, the process and boundary conditions (i.e., mediating and moderating factors) of BSTFL with employee brand building behaviours have not been sufficiently addressed in literature. Specifically, there has been little research to embrace a multilevel view of proactive motivations that mediate and moderate the effect of BSTFL on employee brand building behaviours.

2.4 Proactive motivational drivers: reason to and can do

Motivational drivers that drive employees' attitudes and subsequent behaviours are important topics in services marketing because they describe the reasons that drive both individual and organisational behaviours (Grant 2008). Specifically, scholars have focused on a wide range of proactive motivational drivers such as reason to motivation and can do motivation. According to Parker et al. (2010), can do motivation reflects an individual's perceived capability of engaging in proactive behaviours to improve performance. Reviewing the literature of organisational motivation suggests that feelings of self-efficacy or psychological empowerment (Parker et al. 2010; Raub & Liao 2012) and regulatory mode orientations (Sok et al. 2015) function as can do motivations. According to Parker

et al. (2010), individuals might feel able to improve their performance but have no compelling reason to do so. Reason to motivation can answer the question of why people engage in specific behaviours. For example, in the context of employee brand building, Baker et al. (2014) suggest that “employee perceptions of brand authenticity represent voluntary or soft reasons that help to explain why employees would embrace the brand and engage in brand-building” (p. 644). In organisational domain, Raub and Liao (2012) suggest that initiative climate sends signals to all employees that proactive behaviour is expected and desired and thereby supports the “reason to” motivation to engage in extra-role behaviours in general.

2.5 Psychological empowerment

Empowerment is not a new concept and rooted in research on employee involvement and participation conducted more than 60 years ago (Maynard et al. 2012). A review of the literature shows that empowerment enhances employees’ positive attitudes, performance, and well-being. These beliefs lead approximately 70% of organisations to adopt some form of employee empowerment mechanisms (Maynard et al. 2012).

Reviewing the literature of empowerment indicates that there are two streams that reflect different points of view regarding the nature of empowerment. These streams have resulted in some ambiguity in conceptualisation empowerment (Auh et al. 2014). The first stream is the traditional one which is related to structural empowerment (Thorlakson & Murray 1996) and draws heavily from the job characteristic and job design literature (Hackman & Oldham 1976; Pierce et al. 2009). Studies in this stream have supposed that this

empowerment would suffice to stimulate extra-role behaviours (Auh et al. 2014). However, Hartline and Ferrell (1996) advocate that structural empowerment does not reduce role ambiguity, increases role conflict, and fails to improve employee adaptability. In addition, Raub and Robert (2010) argue that this kind of empowerment is indirectly related to challenging extra-role behaviours through psychological empowerment. In support, Auh et al. (2014) argue that this kind of empowerment is necessary but not sufficient for extra-role behaviours to be realised.

The second stream is psychological empowerment which is introduced to the literature by Conger and Kanungo (1988) to represent individuals' feelings of self-efficacy. However, Spreitzer (1995) develops a multidimensional construct to assess psychological empowerment and defines it as "a motivational construct manifested in four cognitions: meaning, competence, self-determination, and impact (p. 1444). Meaning reflects the value of a work goal purpose or the fit between one's work goals and beliefs judging by an individual's own ideals or standards. In the context of employee brand building, it is argued that when an employee perceives brand meaning and significant to them, they will be more motivated to deliver excellent brand aligned service (Xiong & King 2015). King and Grace (2009) advocate that that meaning and relevance are important and employees need to see such meaningfulness and relevance in supporting the brand through the exhibition of extra-role behaviours.

Self-efficacy or competence is an individual's belief in her or his capability to perform their work skilfully (Spreitzer 1995). Xiong et al. (2013) argue that self-efficacy is vital for achieving the coveted employee brand attitude and behaviours because it relates to firm (i.e., I know what the service's brand values

are) and the individual's capabilities (i.e., I know how to deliver the service brand promise). Self-determination or choice is having a sense of autonomy or control over immediate work behaviours. Finally, impact is the extent to which a person believes that she or he is able to make a difference or influence outcomes at work (Spreitzer 1995).

Luria et al. (2009) argue empowerment in a services setting enhances skills and professional growth of employees, motivates them to act in response to customer needs and set higher performance goals. Findings of a meta-analytic study conducted by Seibert et al. (2011) suggest a range of antecedents and outcomes of psychological empowerment. Specifically, Seibert et al. (2011) reveal that leadership and work characteristic are antecedents of psychological empowerment. Avolio et al. (2004) argue that transformational leaders have the ability to psychologically empower their followers which leads to higher levels of commitment. Maynard et al. (2012) argue since transformational leadership acts through empowerment in influencing work outcomes, it is likely that psychological empowerment mediates transformational leadership effects. In addition, psychological empowerment has been regarded to influence a wide range of positive outcomes such as intrinsic motivation, job satisfaction, organisational commitment, task performance and organisational citizenship behaviours. for example, Auh et al. (2014) state psychologically empowered employees feel intrinsically motivated in their job and have the ability to make meaningful impacts on customers because they are able to resolve customer problems within their boundaries. Some scholars argue the ability of frontline employee to deliver the service as expected by the firm and make a meaningful impact on customers is the ultimate goal of employee brand building (Baker et al. 2014).

Building on this review, psychological empowerment represents a key motivational drivers of positive employees behaviours and can be a key mediator factor in the relationship between BSTFL and employee brand building behaviours.

2.6 Regulatory mode orientations: locomotion and assessment orientations

Literature on self-regulation has focused on examining how individuals direct their attentions, resources, and actions in goal pursuit by making progress (i.e., movement) toward the goal and comparison (i.e., evaluating) (Jasmand et al. 2012). In this literature, it is argued that most deliberate behaviours are oriented or guided by two key components of self-regulatory modes, locomotion and assessment orientations (Kruglanski et al. 2000; Higgins et al. 2003). These two regulatory mode orientations of locomotion and assessment have been considered to reflect the motivational capacity of people in guiding themselves effectively toward achieving important goals (Kruglanski et al. 2000; Higgins et al. 2003; Jasmand et al. 2012).

According to Higgins et al. (2003) and Kruglanski et al. (2000), locomotion and assessment orientations are independent and each one can be differentially emphasised by individuals, either momentarily as situationally induced or chronically as a personality disposition. (Kruglanski et al. 2009) show that individuals vary in their preferences for assessment or locomotion orientations, which influence the mode in which they make decisions, approach tasks, pursue goals, deal with challenges and evaluate themselves and others (Kruglanski et al. 2009). However, it is argued that a critical aspect of regulatory

mode theory does not suggest that one orientation is superior to the other (Kruglanski et al. 2000).

For instance, Kruglanski et al. (2000) and Higgins et al. (2003) describe individuals with a high locomotion orientation as having a strong preference to select any activity to work on, start action and then sustain it without delay rather than having preference for waiting to begin. Further, Kruglanski et al. (2007) propose that people high in locomotion orientation are quick to select the (subjectively) best alternative to the desired goal. Further, according to Kruglanski et al. (2000), because locomotion mode orientation concerns with making a progress, high locomotion oriented people are characterised by a greater degree of self-esteem, optimism and positive affect, show a greater degree of decisiveness, and a stronger task orientation, and persist conscientiously until completion their tasks (Kruglanski et al. 2000). In addition, the literature suggests that high locomotion oriented people are quickly determining a progress of action. In decision-making for example, Higgins et al. (2003) found that high locomotion orientated individuals choose the first evaluative attribute and eliminate any alternative has the worst value for that attribute. The popular Nike slogan “Just do it” is an apt reflection of this orientation (Kruglanski et al. 2000).

Assessment mode orientation, in contrast, focuses on assessing and evaluating rather than making progresses. According to Kruglanski et al. (2000), this kind of focusing makes assessment oriented people exhibiting lower optimism and self-esteem and more pronounced negative affect. However, Higgins et al. (2003) argue that people with a high assessment orientation have a strong desire to carefully analyse all available options to make the ideal choice, which is inaccurate. The preference of high assessment orientated individuals is waiting

and evaluating all available choices carefully before making decision on how to act. Kruglanski et al. (2013) state that assessment oriented people have propensity to keep looking, evaluating, comparing and thinking without leaping or engaging in actions. An assessment orientation is reflected in the popular phrase “do the right thing” (Kruglanski et al. 2000).

Further, according to Benjamin and Flynn (2006) each regulatory mode orientation can be regarded as both a state and a trait—people emphasise different regulatory mode orientations in different situations (state), and they tend to emphasise one orientation more than the other (trait). However, it seems that the two orientations of locomotion and assessment complement each other and are important to perform their tasks effectively (Jasmand et al. 2012; Sok et al. 2015). For example, Jasmand et al. (2012) and Kruglanski et al. (2009) demonstrate that a combination effect of locomotion and assessment orientations can result in successful self-regulation in challenging and difficult tasks (Jasmand et al. 2012, Kruglanski et al. 2009).

Importantly, an analysis of the studies focusing on these regulatory mode orientations is generally viewed from two perspectives – value from fit (Benjamin & Flynn 2006; Higgins 2000, 2002) and complementarity level (Hamstra et al. 2014). For example, some scholars suggest that when people pursue their goals in a way that fits or sustains their preferred regulatory orientation, they will be motivated in terms of feeling “right” about what they are doing (Benjamin & Flynn 2006; Higgins 2000, 2002). Their positive evaluation of that activity (i.e., it’s fun, rewarding, meaningful, and important) is increased. Research has found that people are more motivated to perform their tasks when there is a perceived fit (misfit) between their regulatory mode orientations and the strategies used to

motivate them (Benjamin & Flynn 2006; Higgins 2000, 2002). Reviewing the literature on regulatory mode orientations also suggests that individuals who emphasize a locomotion mode orientation tend to experience more fit with transformational leaders and people who emphasize an assessment mode orientation are likely to experience less fit (Benjamin & Flynn 2006).

In addition, this literature indicates that as kinds of strategic influence the preference of people with high locomotion orientation is a forceful leadership style, represented by coercive, legitimate, and directive. whereas the preference of people with high locomotion orientation is an advisory leadership style, represented by expert, referent, and participative (Kruglanski et al. 2007). Kruglanski et al. (2007) found regulatory preferences increases followers' job satisfaction. Other scholars hold different views. For example, Hamstra et al. (2014) argue and find that performance of employees with high locomotion orientations is complemented by their leader's expert power (ability to provide superior knowledge and information), whereas performance of employees with high assessment orientations is complemented by their leader's coercive power (ability to administer negative consequences).

In sum, locomotion and assessment orientations capture the motivational capacity of people guiding themselves toward achieving important goals effectively. Although individuals will be more motivated in terms of feeling "right" about what they are doing and their evaluation of that activity (i.e., it's fun, rewarding, meaningful, and important) when strategies used to motivate them (i.e., leadership) fit and sustain or complement their regulatory mode orientation, a combination of both locomotion and assessment orientations is important.

2.7 Perceived brand authenticity

Authenticity is regarded as one of “the cornerstones of contemporary marketing” (Brown et al. 2003, p. 21), and has garnered a plethora of attention in branding literature (Baker et al. 2014; Beverland & Farrelly 2010; Sirianni et al. 2013). Although some scholars indicate to authenticity as being associated with terms that refer to what is genuine, real and true (Grayson and Martinec 2004; McShane and Cunningham 2012), the literature lacks of generally accepted definition of authenticity (Baker et al. 2014; Beverland 2005). However, some scholars believe authenticity is a socially constructed interpretation or an assessment made by an evaluator, rather than an attribute inherent in an object (Beverland & Farrelly 2010; Brown et al. 2003; Grayson & Martinec 2004). That is, authenticity refers to being true to oneself (Grayson & Martinec 2004; McShane & Cunningham 2012).

Building on this knowledge, Sirianni et al. (2013) extend the notion of authenticity to include behavioural aspects of individuals. That is, authenticity results when people behave in line with their promoted values and therefore project their true nature to the world (Sirianni et al. 2013). Sirianni et al. (2013) argue that service employees who internalise elements of the brand positioning will allow their outward expressions to authentically match their inner feelings. Indeed, Gagné and Deci (2005) emphasise that the process of internalisation drives individuals to accept external values and display attitudes that are authentic.

Baker et al. (2014) are the first to integrate employee perceptions of brand authenticity into a model that investigates the impact of internal branding on employee branding behaviours. according to Baker et al. (2014), authenticity is “an employee’s perception that a brand genuinely embodies the values it stands

for in its positioning.” (p. 646). They measure it using four items reflect genuine, integrity and consistency. McShane and Cunningham (2012) argue that authenticity improves the employees’ perceived value to the firm, meaning that employees share a deeper commitment and are truly part of the firm. For example, Yagil and Medler-Liraz (2013) propose that identification is an antecedent of authenticity. in addition, Baker et al. (2014) argue that employee identification with the brand depends on the extent to which employees perceive the brand as genuinely embodying its positioned values, which in turn motivate them to adopt behaviours consistent with the relationship and readily observable by managers. Baker et al. (2014) believe that perceptions of brand authenticity influence the ability of the employee to deliver the service as expected by the firm and manifest brand citizenship behaviours. However, Baker et al. (2014) call for more research on employee brand authenticity. in line with this call and building on the literature review, perceived brand authenticity is likely to be a reson to motivational drivers for employee brand building behaviours. Accordingly, perceived brand authenticity may mediate the relationship between BSTFL and employee brand building behaviours.

2.8 Initiative climate

The past few decades has witnessed increasing interest in the effect of organisational climate on employee behaviours. the literature refers to the organisational climate as the “employees’ perceptions of the events, practices, and procedures and the kinds of behaviour that are rewarded, supported, and expected in a setting” (Schneider 1990, p. 384). Since the organisational climate is a shared perception of endividuals, Zohar and Tenne-Gazit (2008) argue that scores of

individual climate should be aggregated to the unit of analysis of theoretical interest, that is, to subunits such as local branches⁵ or teams or to the entire firm. Organisational climates are valuable to identify which behaviour should be prioritised. This is specifically so in situations where there are some ambiguities that often arise from a discrepancy between formally espoused policies and enacted practices on (Zohar & Tenne-Gazit 2008)

According to Schneider et al. (1998), the best view of a climate as a paradigm is having a specific referent (i.e., climate for something). Accordingly, scholars focus on different kinds of organisational climates such as service climate, safety climate, innovation climate, and initiative climate (Baer & Frese 2003; Liao & Chuang 2004; Raub & Liao 2012). According to the organisational climate literature, different climates impact employees' decisions, attitudes and behaviours as well as customer outcomes (e.g., quality, satisfaction, and loyalty) and ultimately financial performance.

Parker et al. (2010) emphasise the importance of initiative climate in stating that "one of the most important active work concepts to be introduced into the literature is personal initiative" (p. 828). Indeed, some scholars argue that initiative climate is an essential factor for employees to show personal initiative (Baer & Frese 2003; Hong et al. 2015) and motivate them to engage in their work proactively (Raub & Liao 2012). However, there are two views regarding initiative climate. First, Baer and Frese (2003) define initiative climate as "formal and informal organisational practices and procedures guiding and supporting a proactive, self-starting, and persistent approach toward work" (p. 48). Second, Raub and Liao (2012) define it as employee shared perceptions of the extent to

⁵ The sample of this study is generated from service branches (see Chapter four).

which self-starting, change-oriented, long-term-oriented, and persistent behaviour is encouraged and rewarded by management (p. 653). Although both views build on the individual level construct of personal initiative, Baer and Frese (2003) assess it by adopting 7-item measure of personal initiative by Frese et al. (1997). Raub and Liao (2012), on the other hand, develop a 16-item measure of initiative climate. The measure assesses the extent to which respondents perceive that initiative behaviours are emphasised, expected, encouraged, and recognised by the firm. However, the 7-item measure of self-reported personal initiative by Baer and Frese (2003) is widely used by literature.

Theoretically, initiative climate includes self-starting orientation, change-oriented, long-term or proactive orientation and persistent (Baer & Frese 2003; Hong et al. 2015; Raub & Liao 2012). First, the self-starting facet indicates to an individual engagement in a particular behaviour without any instruction from a supervisor or being guided by an explicit role requirement. Second, change-oriented means having a desire to find solutions for problems that have a visible impact on the environment. Third, long-term orientation includes anticipatory actions (Grant & Ashford 2008) and proactively consider future problems or opportunities and doing something about them. Finally, the last facet is the persistence in the face of the inevitable setbacks, problems, and failures that proactive, long-term-oriented behaviours necessarily entail.

Research has shown that initiative climate can represent a strong reason to motivation for employees to take initiative and engage in proactive manners (Raub & Liao 2012). Further, in their multilevel study, Hong et al. (2015) argue that initiative climate represents an important factor in linking contextual influences such as leadership and proactive motivational states. Specifically,

Hong et al. (2015) show that human resource managements and leadership approaches can give rise to initiative climate, which in turn increase individual proactive motivational states. Although, few studies have focused on initiative climate in service firms, this type of climate seems to be important in supporting employee brand building behaviours because building employee brand behaviours requires such a long-term orientation (King & Grace 2012).

2.9 Conclusion

Although employee brand building behaviour is an important factor, instilling this behaviour in employees is still a challenge for managers in service firms. This review provides the foundation for the development of the theoretical framework of service brand in Chapter Three “A multilevel study of service brand building”. That is, BSTFL is a multilevel phenomenon that exerts may have direct and indirect effects, through proactive motivational drivers on employee brand building behaviours. In addition, past research on BSTFL has neglected the significance role of individual characteristics such as regulatory mode orientations and organisational context such as initiative climate in which such leadership is embedded. Thus, integrating both individual and contextual factors with BSTFL offers a useful theoretical foundation for providing a more comprehensive view for building strong service brands. The theory development in Chapter Three focuses on the role of BSTFL and proactive motivational drivers that motivate employee brand building behaviours in building strong service brands.

Chapter Three

Theory and Hypotheses Development

3.1 Introduction

Given the study aims to develop a sound understanding of the managerial and employee behaviours underpinning building a strong service brand through multilevel processes in service firms, the study is anchored in leadership theory, proactive motivation theory (Parker et al. 2010) and employee brand building theorising. In essence, Parker and colleagues have prepared the ground for a more comprehensive view on employee behaviours by integrating both contextual and individual factors (Parker et al. 2010), thus offering a useful foundation for this study.

Parker et al. (2010) posit that proactive action is a “motivated, conscious, and goal directed” behaviour which is driven by proximal proactive motivational states - labelled “can do” and “reason to”. These states provide the fundamental impetus that stimulates individual proactive goal generation and striving. They posit that these motivational states are influenced by various individual and contextual predictors. The model of proactive motivation is used here as a starting point for developing and testing the multilevel theoretical framework focusing on the antecedents and contingency factors of BSTFL and employee brand building behaviours in building a strong service brand.

In building on proactive motivational theory the theoretical development set out in this chapter adopts the views of Corley and Gioia (2011) who state that “theory is a statement of concepts and their interrelationships that shows how and/or why a phenomenon occurs” (p. 12). A theory provides guidance to

logically predict the nature of the interrelationships between specific constructs (Ketchen & Hult 2011). Accordingly, the purpose of this chapter is to explain why and how the interrelationships between the constructs of interest logically occur. In doing so, the theoretical framework and hypotheses are developed drawing on related literature reviews undertaken in Chapter Two. According to Wacker (1998), such reviews are essential to establish the required basis for theory development.

3.2 Theoretical framework

Although research has suggested that BSTFL is a key driving force for employee brand building behaviours (Morhart et al. 2009), the process and contingent factors that ensure BSTFL impacts employee brand building behaviours is unclear. Drawing on transformational leadership theory and the model of proactive motivation (Parker et al. 2010), this study proposes a multilevel theoretical framework in which BSTFL is a key antecedent of employee brand building behaviours at both individual and team levels in service firms.

At the individual level, it is proposed that BSTFL transforms its effects through two fundamental motivational processes: a “can do” motivation and a “reason to” motivation. A can do motivation reflects an individual’s perceived capability of engaging in beneficial behaviours and a “reason to” motivation that reflects the individual’s desire to be proactive (Parker et al. 2010). These motivational drivers mediate the relationship between BSTFL and employee brand building behaviours. Specifically, it is hypothesised that BSTFL transforms its effect through psychological empowerment, which reflects an individual’s perceived capability or can do motivation, and perceived brand authenticity,

which reflects an individual's desire or reason to motivation, that should be positively associated with employee brand building behaviours.

At the team level, it is hypothesised that BSTFL transforms its beneficial effect through initiative climate as a shared perception of the “formal and informal organisational practices and procedures guiding and supporting a proactive, self-starting, and persistent approach toward work” (Baer & Frese 2003, p.48). Further, Raub and Liao (2012) argue that initiative climate fosters the desire or “reason to” motivation of employee brand building behaviours. In addition, both transformational leadership and proactive motivation theories suggest that individual characteristics and contextual factors may have moderating effects in the process of the motivation. As discussed in Chapter Two, Section 2.6, regulatory mode orientations represent individual characteristics which comprise of locomotion and assessment orientations. Locomotion orientation as a self-regulatory mode orientation concerned with movement from state to state without undue distractions or delays (Kruglanski et al. 2000) and assessment orientation; a self-regulatory mode orientation concerned with critically evaluating entities or states in relation to alternatives to judge relative quality (Kruglanski et al. 2000) are hypothesised as moderators on the relationships of BSTFL and psychological empowerment and perceived brand authenticity. Further, initiative climate, as a contextual moderators of the BSTFL, psychological empowerment, perceived brand authenticity and employee brand building behaviours relationships. Taken together, the theoretical framework and hypotheses address the research questions introduced in Chapter One, Section 1.2. The research questions are:

RQ1. To what extent does BSTFL influence employee brand building behaviours?

- RQ1a.** *To what extent does BSTFL at the individual-level influence employee brand building behaviours?*
- RQ1b.** *To what extent does BSTFL at the team level influence employee brand building behaviours?*
- RQ2.** *To what extent do proactive motivational drivers across multiple levels explain the relationship between BSTFL and employee brand building behaviours?*
- RQ2a.** *To what extent does perceived brand authenticity mediate the relationship between BSTFL and employee brand building behaviours at the individual-level?*
- RQ2b.** *To what extent does psychological empowerment mediate the relationship between BSTFL and employee brand building behaviours at the individual-level?*
- RQ2c.** *To what extent does initiative climate mediate the relationship between BSTFL at the team-level and employee brand building behaviours?*
- RQ3.** *To what extent do individual and contextual boundary conditions across multiple levels moderate the relationship between BSTFL and employee brand building behaviours?*
- RQ3a.** *To what extent does initiative climate moderate the effect of BSTFL on employee brand building behaviours across individual level?*
- RQ3b.** *To what extent does initiative climate moderate the effect of BSTFL on perceived brand authenticity and psychological empowerment across individual level?*

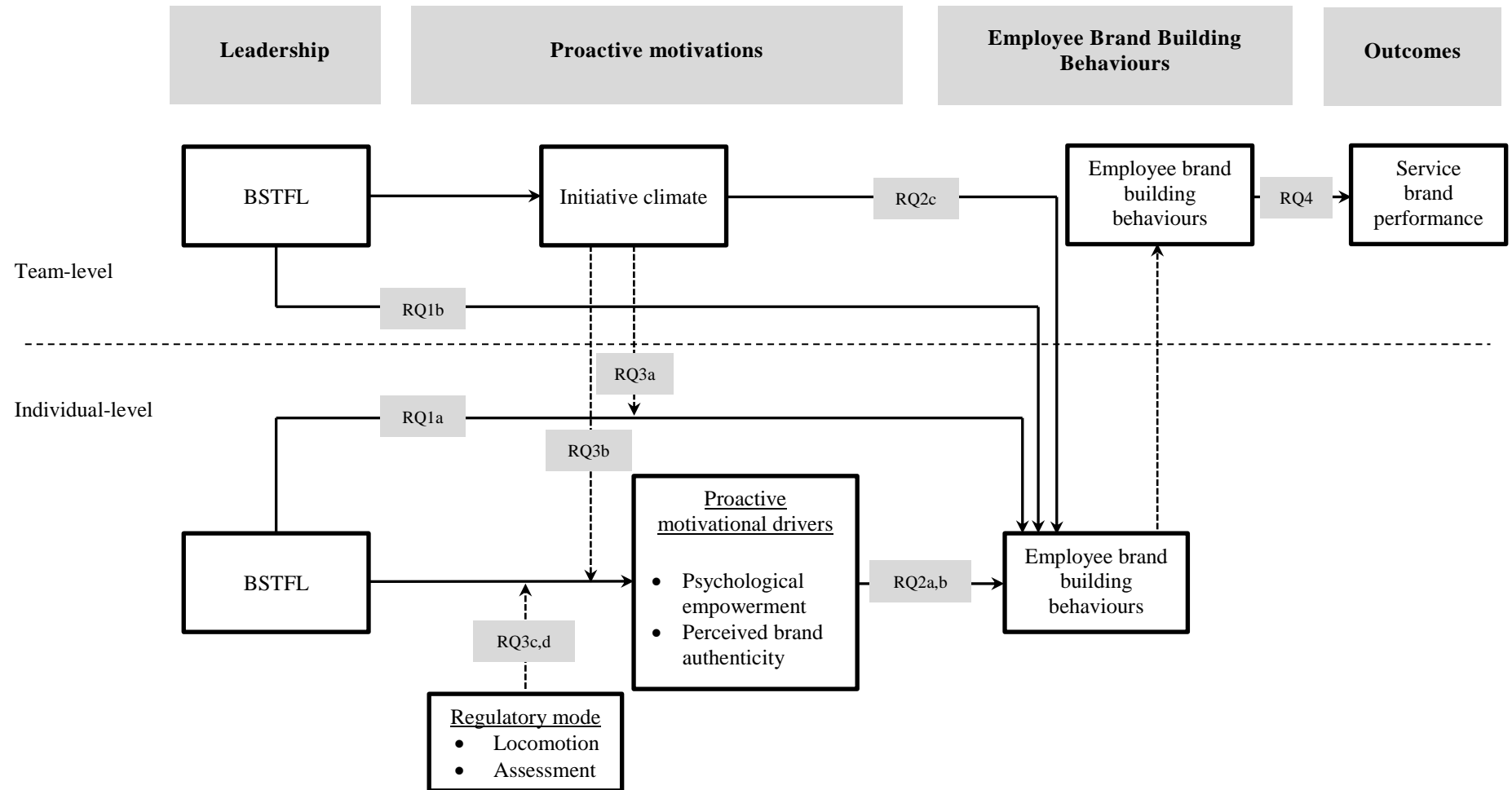
RQ3c. *To what extent does locomotion orientation moderate the effect of BSTFL on perceived brand authenticity and psychological empowerment across individual level?*

RQ3d. *To what extent does assessment orientation moderate the effect of BSTFL on perceived brand authenticity and psychological empowerment across individual level?*

RQ4. *To what extent does employee brand building behaviour influence service brand performance?*

The multilevel theoretical framework and underlying factors are shown in Figure 3.1. The discussion and development of the theoretical model are presented in five sections in this chapter. First, Section 3.2.1 focuses on defining employee brand building behaviours. Second, Section 3.2.2 focuses on the role of BSTFL in employee brand building process (RQ1), and presents hypothesis 1 to address RQ1a and hypothesis 2 to address RQ1b. Third, Section 3.2.3 focuses on the proactive motivational drivers linking BSTFL to employee brand building behaviours (RQ2) and presents hypothesis 3 to address RQ2a and RQ2b and hypothesis 4 to address RQ2c. Fourth, Section 3.2.4 focuses on the factors that moderate the relationship between BSTFL and employee brand building behaviours (RQ3) and presents hypothesis 5 to address RQ3a, hypothesis 6 to address RQ3b, and hypothesis 7a to address RQ3c and hypothesis 7b to address RQ3d. Finally, Section 3.2.5 brings in the role of service brand performance as the output of employee brand building behaviours and presents hypothesis 8 to address RQ4. The chapter closes with concluding remarks in Section 3.3.

Figure 3.1 – A multilevel study of service brand building



3.2.1 Employee brand building behaviour

Drawing from employee brand building behaviour theorising as discussed in Chapter Two, Section 2.2, employee brand building behaviour is defined as employees' contribution (both on and off the job) to an organisation's customer-oriented branding efforts (Morhart et al. 2009). As discussed, employee brand building behaviours include in-role brand building behaviours and extra-role brand building behaviours (Löhndorf & Diamantopoulos 2014; Morhart et al. 2009). Both in-role and extra-role behaviours are necessary to obtain optimum outcomes of employees performing their job. In-role brand building behaviour is defined as frontline employees' meeting the standards prescribed by their organisational roles as brand representatives (either written in behavioural codices, manuals, display rules, and so forth, or unwritten) (Morhart et al. 2009). Extra-role brand building behaviour is defined as employee actions that go beyond the prescribed roles for the good of the service brand and are discretionary (Morhart et al. 2009). Building on the work of Morhart et al. (2009) and Löhndorf and Diamantopoulos (2014), in this study extra-role brand building behaviours include advocacy for the service brand and participation in service brand development. Advocacy is defined as a positive word of mouth towards the service brand out of the job setting (Löhndorf & Diamantopoulos 2014; Morhart et al. 2009). Participation is defined as proactive employee behaviour and indicates active, responsible engagement in nurturing and building the service brand (Löhndorf & Diamantopoulos 2014; Morhart et al. 2009). Taken together, in-role and extra-role behaviours represent employee brand building behaviours.

As discussed in Chapter Two, Section 2.2., several scholars suggest that employee brand building behaviours are motivated and supported by leaders

(Miles & Mangold 2004; Morhart et al. 2009; Punjaisri et al. 2013). Specifically, BSTFL has been found to be more effective in motivating employee brand building behaviours in service firms than transactional leadership (Morhart et al. 2009).

3.2.2 BSTFL and employee brand building behaviours

Among different leadership styles, BSTFL has been the focus of attention in the context of service branding (Morhart et al. 2009; Uen et al. 2012). Following Morhart et al. (2009), BSTFL is defined as a leader's approach to motivating his or her followers to act on behalf of the service brand by appealing to their values and personal beliefs.

In general, empirical studies show that transformational leadership is positively associated with employee performance (Morhart et al. 2009; Wang et al. 2005; Liao & Chuang 2007). According to Bass (1985), transformational leaders provide constructive feedback to their followers, convince followers to exhibit extra effort, and encourage them to think creatively about complex problems. Accordingly, followers of transformational leaders tend to behave in ways that facilitate high levels of task performance (Wang et al. 2005) and extra role behaviours (Piccolo & Colquitt 2006).

There is a general agreement that a transformational leader helps followers to develop confidence in their abilities and enhances the congruence between their personal values and the brand's values (Hannah et al. 2015). Transformational leaders make their organisations' missions salient and persuade followers to forgo personal interests for the sake of the goals of the collective. When followers equate their own values with the brands' values and goals, they become more

willing to cooperate in order to make a positive contribution to the work context (Judge & Piccolo 2004). While employees need to understand, believe in, and internalise brand values and act to support brands through their behaviours (Vallaster & De Chernatony 2005), brand specific transformational leaders are more likely to satisfy these needs as they encourage employees to internalise service brand values and exert brand building behaviours (Morhart et al. 2009).

It has been stressed that “the study of leadership is inherently multilevel in nature” (Bliese et al. 2002, p. 4) and “leadership is by nature a multiple-level phenomenon” (Chun et al. 2009, p. 689). Further, theoretical evidence shows that transformational leadership is a multilevel phenomenon (Liao & Chuang 2007). This means a brand specific transformational leader also exhibits different behaviours toward each follower within the team which means distinct differences in relative leader–follower relationships within a team would be evident (e.g., Schriesheim et al. 2006). In fact, transformational leaders can behave flexibly to match the needs of specific individuals and teams (Braun et al. 2013). Accordingly, BSTFL is hypothesised here to play a role at both individual and team levels.

3.2.2.1 BSTFL at the individual level

Generally, transformational leadership focuses on inspiring and engaging followers as the means to attain mission-focused ends through connecting the goals to valued aspects of the followers’ self-concept (Bass 1985; Walumbwa et al. 2010). At the individual level, transformational leaders adjust their individualised consideration and intellectual stimulation to the specific goals and interests of individual followers (Chun et al. 2009; Wu et al. 2010). They show individualised

consideration, and are thereby able to recognise and respond “to each individual's abilities, aspirations, and needs” (Walumbwa et al. 2005, p. 238). Specifically, leaders who display individualised consideration tend to develop a high quality dyadic relationship with each follower (Tse & Chiu 2014).

Transformational leaders stimulate followers on an individual basis by encouraging them to rethink the way they do things that support brand values, re-examine some of the basic assumptions about brand values, and reconfigure new solutions to enhance performance from old problems that damages branding activities across the firm (Podsakoff et al. 1990; Tse & Chiu 2014). Through the interaction process, followers feel encouraged to express their individual feelings and thoughts about brand and branding activities inside and outside the firm because they believe that their leaders are genuinely interested in helping them to find ways that support brand values (Tse & Chiu 2014). Similar effects can be expected from BSTFL when the focus is the service brand because employee brand building behaviours will in part rely on these and similar direct, individual experiences with their supervisor. That is, since BSTFL articulates brand values and brand-building behaviours as well as being a role model in living a brand, they can directly influence employees' brand-building behaviours at the individual level. Therefore,

H1: BSTFL at the individual level is positively related to employee brand building behaviours.

3.2.2.2 BSTFL at the team level

Teams have become an increasingly popular way of organising work in organisations (Auh et al. 2014; Liao & Chuang 2007). Typically, a team refers to

a group of employees with different talents and skills who work towards a collective goal (Lee et al. 2012; Punjaisri et al. 2013). The importance of team perceptions of the transformational leaders for performance is demonstrated in service firms (Schaubroeck et al. 2007). Following prior research in this area (e.g., Hackman 1992; Liao & Chuang 2007; Auh et al. 2014), this study considers BSTFL at the team level as an ambient stimulus which is shared among team members. So the team is not the leader, but the frontline employees who in this study work in a branch of an organisation. The BSTFL team construct is the aggregate of the individuals from the lower level. This is the method of treatment of individual (i.e, employee) to a higher level (i.e., firm, team, group etc) in multi-level theory and research. It is argued that leaders are responsible for consistently and coherently defining, interpreting, and driving a brand's identity to all employees at firm level (Vallaster & De Chernatony 2005). This implies that employees in teams should share similar perceptions of their brand specific transformational leader's responsibility. Further, brand specific transformational leaders make the vision apparent and enhance followers' collective identity through painting an interesting picture of the organisation's future (Podsakoff et al. 1990; Tse & Chiu 2014).

A team who is inspired by the brand specific transformational leader will have a consistent understanding of brand values and their behaviours are directed towards those understanding. That is, individuals process and interpret information in a social context by observing others and accordingly they shared meaning and a common understanding of the BSTFL (e.g., Salancik & Pfeffer 1978). Transformational leaders enhance team identification by promoting value internalisation and self-engagement with work (Colbert et al. 2008). In addition,

individuals with similar values are attracted to, selected for, and retained by a team over time (Schneider 1987). Last but not least, the more employees are exposed to one leader who implements practices, policies, and procedures, the more likely the team will develop uniform perceptions and opinions of the leader (Schneider & Reichers 1983). In this sense a brand specific transformational leader helps the team to engage in behaviours that support the service brand. Specifically, brand specific transformational leaders show brand specific adaptation of idealised influence and brand specific adaptation of inspirational motivation which are aimed at influencing a team as a whole (Wu et al. 2010) when the leader believes in brand values. Therefore,

H2: BSTFL at the team level is positively related to employee brand building behaviours.

3.2.3 Proactive motivational drivers linking BSTFL at the individual level to employee brand building behaviours

Although Hypothesis 1 proposes a direct effect of BSTFL at the individual level on employee brand building behaviours, transformational leadership theory in general also identifies a wide range of mediating processes. For example, transformational leaders influence followers' motivational states by increasing their expectations of their own capabilities and motivate them to align their personal values with organisational values (Bass 1985). These motivational states represent "can do" and "reason to" bases through which followers are led to show higher levels of preferred behaviours (Hannah et al. 2015). Proactive motivation theory defines the can do motivation as a proactive orientation which is an individual's perceived capability of engaging in behaviours, and the reason to

motivation is the desire of an individual to act, based on why he/she engages in behaviours (Parker et al. 2010).

Psychological empowerment is proposed in this study as a can do motivation because it includes perceived competence (i.e., self-efficacy) and perceived impact at work (Parker & Wu 2014). Following Spritzer (1995), psychological empowerment is defined as motivational construct that reflects an individual's active orientation to his or her work role.

In addition to “can do” motivation, it is important to consider the “reason to” or “why” individuals formulate or persist with a particular goal (Parker et al. 2010). Generalising this assumption to brand building behaviours, the goal is supporting and strengthening the service brand when employee perceive that a service brand genuinely embodies the values it stands for in its positioning (Baker et al. 2014). In this sense, employees' perceived brand authenticity helps to explain why employees would embrace the service brand and exert brand building behaviours. That is, the process of brand identification manifests as an authentic affiliation with the brand and employees can identify themselves with an organisationally affiliated brand when they are provided meaningful and relevant brand information (Baker et al. 2014).

On the basis of the proactive motivation (Parker et al. 2010), in this study psychological empowerment and perceived brand authenticity are closely mapped onto the can do and reason to proximal motivational drivers of employee brand building behaviours at the individual level. Therefore, the focus here is on these potential mediating drivers through which BSTFL is believed to promote employee brand building behaviours.

3.2.3.1 Psychological empowerment as a mediator at the individual level

Customer service is characterised as a volatile and intangible process (Liao et al. 2009). In service firms, production and consumption can often occur simultaneously (Skaggs & Huffman 2003), which means customers in service firms frequently come into direct contact with and participate in service production (Chen et al. 2015). These contacts not only increase the uncertainty that service employees must face, but also make it difficult for leaders to effectively monitor and control each step of the process (Chen et al. 2015; Skaggs & Galli-Debicella 2012). In such situations, leaders must rely heavily on frontline employees' spontaneity and initiative. Transformational leaders emphasise the independence and proactivity of followers, and favour empowerment strategies rather than control (Dvir & Shamir 2003). By means of BSTFL, leaders who adapt brand-specific adaptation of intellectual stimulation empower followers to interpret their service brand's promise and its implications for work in their individual ways (Morhart et al. 2009).

Indeed, the necessity and value of empowering employees have been identified in the service context (Auh et al. 2014; Raub & Robert 2010; Sok & O'Cass 2015). Psychologically empowered employees internalise the values associated with engagement in autonomous self-determined behaviours (Raub & Liao 2012). When employees feel they have the autonomy and ability to perform meaningful tasks, they can make an impact on customers' perceptions (Auh et al. 2014). Employees who are psychologically empowered increase their effort-to-performance expectancy (Conger & Kanungo 1988). Although psychological empowerment includes self-determination and meaning, which relates to the idea of having an internalised reason to motivation (Parker & Wu 2014), the focus of

psychological empowerment is on the feeling of individuals that they can do their work (e.g., Conger & Kanungo 1988; Spritzer 1995; Thomas & Velthouse 1990).

Transformational leadership theory emphasises the role of empowerment as one of the main features (Avolio et al. 2004; Dvir et al. 2002; Kark et al. 2003). Followers need to feel psychologically empowered to believe they have the ability to act on the inspiration of brand oriented transformational leadership and support brand values and strengthen them at service encounter (Pieterse et al. 2010). In the service context, BSTFL is likely to satisfy followers' basic needs for competence and autonomy (two main factors of psychological empowerment) to enact their role identity as brand builders (Morhart et al. 2009). When a brand specific transformational leader provides followers with competence and autonomy, he or she helps them to internalise the brand values into their self-concepts, which then leads to brand building behaviours.

As represented by the theoretical facets of brand specific idealised influence, brand specific inspirational motivation, and brand specific intellectual stimulation, BSTFL also includes the active verbal persuasion and encouragement of followers (Morhart et al. 2009). This should further promote follower psychological empowerment. Further, brand specific transformational leaders instil a belief in their followers that they can accomplish the goals that are set for them (Shamir et al. 1993), and positively influence their brand supportive performance (Bandura 1986). Empowered employees are more confident in their ability to contribute to the firm's branding success, leading to a stronger motivation to exhibit customer-oriented behaviour (Hartline et al. 2000) and higher quality of behavioural branding (Henkel et al. 2007).

Grant (2012) argues “psychological empowerment provides a parsimonious framework for capturing the central themes of the psychological states that are viewed as mediators of the effects of transformational leadership on follower performance” (p. 462). Based on this argument and in line with proactive motivation theory, it is expected that psychological empowerment provides a practical mediating process that explains the relationship between BSTFL and employee brand building behaviours. Therefore,

*H3: psychological empowerment mediates the relationship between
BSTFL and employee brand building behaviours at the individual level.*

3.2.3.2 Perceived brand authenticity as a mediator

Proactive motivation theory addresses the point that even when employees believe they have the ability to perform, they need to believe that there is a compelling reason to do so (Parker et al. 2010). In this sense transformational leadership promotes followers’ behaviours through a “reason to” as well (Hannah et al. 2015). As indicated in Section 3.2.3, perceived authenticity reflects a reason to motivation. Authenticity is an important part of building and maintaining a successful brand because it forms a unique brand identity (Beverland 2005) and provides a strong, favourable association in customers minds (Gundlach & Neville 2012). It has been shown that when frontline employee behaviour is strategically aligned with the brand positioning, the inherent context congruity will enable customers to experience the brand as a more consistent, unified whole, leading to more favourable overall brand evaluations (Sirianni et al. 2013). Arguably, this strategic alignment depends heavily on the authentic integration of perceived brand identity into a self-identity (Baker et al. 2014). With this

alignment, not only the managers but also customers are likely to see evidence that employees are living the brand in the provision of branded customer service.

When service employees perceive the service brand as genuinely embodying its positioned values, they will identify more highly with the service brand (Baker et al. 2014), and internalise elements of the service brand positioning (Sirianni et al. 2013). This identification allows their outward expressions to authentically match their inner feelings leading both managers and customers to connect them more easily to the service brand.

In contrast, when employees have a perception that their service brand is not embodying its positioned values they will not internalise the service brand values because they do not have any reason to do so. This perception often results in outward expressions which differ from their true feelings, resulting in an ambiguity when others attempt to connect them to the service brand (Sirianni et al. 2013).

In effect, authenticity perceptions motivate individuals to derive intrinsic pleasure and enjoyment from being themselves and reinforcing the worth of the self-conception. Proactive motivation theory (Parker et al. 2010) suggests that when individuals are intrinsically motivated to perform tasks that are of personal interest or enjoyable to them. They will have a strong reason to involve in these tasks spontaneously and naturally without any reinforcement or coercion. That is, their behaviour is experienced as autonomous or voluntary (Sok et al. 2015). The autonomous nature of the behaviour of employees fosters feelings of engagement and genuineness, which in turn enhance the extent to which their work accomplishments are truly or intrinsically satisfying (Deci et al. 1989). These personal feelings of engagement and genuineness also motivate employees to

proactively sustain their efforts over time and across diverse tasks (Sok et al. 2015).

By means of BSTFL, providing brand-specific information directly to frontline employees increases their identification with the brand (as evidenced in perceptions of brand authenticity) and enhances their internalisation of brand values (Baker et al. 2014). This is because a brand specific transformational leader is one who authentically lives up to the service brand, provides and communicates a compelling and motivating story of the service brand (Morhart et al. 2009). A brand specific transformational leader also helps employees to think about their position as a member of the brand community and motivate them to represent the service brand (Morhart et al. 2009). Indeed, such persuasion and inspiration to succeed at a deep psychological level, followers need to perceive the leader living the brand values he or she espouses (Vallaster & De Chernatony 2005).

Building on these views, it is proposed here that followers of brand specific transformational leaders will perceive that their service brand genuinely embodies the values that it stands for in its positioning. This increases their identification with and internalisation of service brand values that motivate them to exert in brand building behaviours. Thus, stemming from these ideas and drawing on proactive motivation theory, perceived brand authenticity will provide a viable mediation process (reason to) that explains the relationship between BSTFL and employee brand building behaviours. Therefore,

*H4: Perceived brand authenticity mediates the relationship between
BSTFL and employee brand building behaviours at the individual level.*

3.2.3.3 Initiative climate as a mediator

Having argued that to the extent that BSTFL at the team level contributes to employee brand building behaviours (Hypothesis 2), BSTFL at the team level may also influence employee brand building behaviours through forming a shared climate among team members. As indicated above in Section 3.2.3.1, it is not easy for leaders to effectively monitor and control each step of the service process (Chen et al. 2015; Skaggs & Galli-Debicella 2012). They must, as such rely heavily on frontline employees' spontaneity and personal initiative. The favourable climate that has been shown to stimulate service employees' personal initiative is known as initiative climate (Baer & Frese 2003). As discussed in Chapter Two, Section 2.8, initiative climate is defined in this study as the formal and informal organisational practices and procedures guiding and supporting a proactive, self-starting, and persistent approach toward work (Baer & Frese 2003).

Initiative climate encourages personal initiative among team members. It increases their feeling of responsibility for their work, leads to more discretion in how they do their jobs and motivates them to work on their ideas longer with more intensity in order to turn them into useful suggestions (Baer & Frese 2003). Empirical evidence shows that initiative climate fosters a reason to motivation to engage in extra or proactive behaviours (Raub & Liao 2012) and display personal initiative (Hong et al. 2015). With respect to the proactive nature of employee brand building behaviour that is not remunerated by service firms (King & Grace 2009), initiative climate helps employees to purposely set the goal of being proactive and consciously monitor their strategies and actions to reach the goal of being proactive and take personal initiative in service encounters (Raub & Liao 2012).

Hackman (2002) argued that team members perceive their leader as being highly competent when he or she cultivates and maintains a compelling agenda and provides a clear structure that facilitates team members' pursuit of this agenda. Schaubroeck et al. (2011) argue that transformational leadership most closely represents these foci. According to Schaubroeck et al. (2011), "transformational leadership gives the team confidence that all of its members know what the team needs to do to be successful" (p. 865). Since employees of the same team collectively share and articulate the meaning of BSTFL (Weick et al. 2005), a brand specific transformational leader can form a shared view of the extent to which personal initiative taking is encouraged and supported by their team manager.

Brand specific transformational leaders have high expectations of all followers, articulate a differentiating and compelling brand vision and provide them with challenging new ideas to stimulate rethinking of old ways of doing things (Morhart et al. 2009). That is, brand specific transformational leaders are likely to form a shared initiative climate among team members which in turn help them to take personal initiative in service processes. The rationale for this argument rests on the view that initiative climate has a self-starting facet which implies that individuals can engage in a particular behaviour (i.e., employee brand building behaviour) without specifically being instructed or told by a supervisor or being guided by an explicit role requirement (Baer & Frese 2003; Frese & Fay 2001).

In other words, initiative climate involves the desire to find solutions that have a noticeable impact on the service environment (Grant & Ashford 2008) implying that such a climate provides team members with a desire to participate

effectively in the service brand and make a noticeable impact to their service brand. In addition, the long term orientation facets of initiative climate suggests considering future opportunities and doing something about them in a proactive manner (Raub & Liao 2012). This means increasing employees' participation in building strong service brand not only on but further out the job. Thus, initiative climate can provide a viable pathway (mediating process) that explains the relationship between BSTFL at the team level and employee brand building behaviours. Therefore,

H5: Initiative climate mediates the relationship between BSTFL at the team level and employee brand building behaviours.

3.2.4 The boundary conditions on the relationship between BSTFL and employee brand building behaviours

So far the mediating processes linking BSTFL at both individual and team levels to employee brand building behaviours are discussed. Next, three kinds of moderating effects have been proposed in this study. First, initiative climate at the team level moderates the relationship between BSTFL at the individual level and employee brand building behaviours (Subsection 3.2.4.1). Second, initiative climate moderates the relationship between BSTFL at the individual level and psychological empowerment and perceived brand authenticity which in turn influences employee brand building behaviours (Subsection 3.2.4.2). Third, locomotion and assessment orientations as can do motivational capacities that moderate the relationship between BSTFL at the individual level and employee brand building behaviours (Subsection 3.2.4.3). These three moderating effects are discussed below.

3.2.4.1 The moderating role of initiative climate on the relationship between BSTFL and employee brand building behaviours at the individual level

Leadership is not equally effective under all conditions (Shamir & Howell 1999), but rather, contextual factors may have an influence on the leadership – employee behaviours relationship (Burmahn & Zeplin 2005). Indeed, leadership does not take place in a vacuum; it develops within a work environment where leader behaviours need to fit circumstances to be effective (Charbonnier-Voirin et al. 2010). For example, it has been suggested that the key to improving the effectiveness of leaders is to identify the characteristics of subordinates, work tasks, and organisations that substitute, neutralise, or enhance leadership behaviours (Howell 1997; Howell et al. 1986).

A specific climate within a work unit serves to emphasise or deemphasise certain content-specific role expectations for employees when they respond to leaders' influences (Hofmann et al. 2003). Barling et al. (2002), for example, show that transformational leaders reduces occupational injuries partially through its effects on establishing a safety climate. In addition, Liao and Chuang (2007) find a significant positive interaction of transformational leadership at the individual level and store level service climate on employee service performance. They argue that the interaction between the two creates a synergy and more effectively directs employee performance toward achieving superior customer service.

In the context of this study, it is proposed that initiative climate can function as a moderator on the effect of BSTFL at the individual level on employee brand building behaviours. This is because in the absence of initiative

climate followers may not act as brand builders (i.e., showing employee brand building behaviours) when things go wrong and actions are not taken to prevent problems and errors (Baer & Frese 2003). In other words, if a frontline employee feels that mistakes and errors are not accepted by their managers, they will have a reason to think about and use new procedures with a self-starting sense in participating in the service brand. Thus, it is expected that the positive effect of BSTFL at the individual level on employees brand building behaviours (Hypothesis 1) will be moderated under initiative climate because it enables frontline employees to behave on their own as brand builders. Therefore,

H6: Initiative climate positively moderates the effect of BSTFL on employee brand building behaviours at the individual level.

3.2.4.2 The moderating role of initiative climate on the relationship between BSTFL at the individual level and proactive motivations

Thus far the role of moderating effects of initiative climate on the direct relationship between BSTFL at the individual level and employee brand building behaviours has been discussed. The concern is whether initiative climate can also positively moderate the effect of BSTFL on perceived brand authenticity and psychological empowerment at the individual level. For instance, a study indicates that service climate moderates the relationship between transformational leadership and self-efficacy at the individual level (Liao & Chuang 2007). Obviously, both climate and leadership are important for fostering proactive motivations to improve organisational functioning and strategy (Parker et al. 2010).

In addition, the findings of recent research (Hong et al. 2015) support the positive effect of initiative climate on can do and reason to motivation. For example, employees have been shown to be more confident in their ability to succeed, experience a strong sense of impact, and perceive enhanced levels of self-determination resulting in a strong can do motivation under a high initiative climate (Hong et al. 2015).

Further, when employees perceive that initiative is encouraged and valued at their firm, they will have valuable psychological resources such as having opportunities for personal control and skill use (Warr 2011). These psychological resources are critical for an employee to be proactive at work. Furthermore, when initiative climate exists, employees realise that their immediate leader respects them as individuals and trusts their decision-making skills (Spreitzer & Mishra 1999). In addition, it is argued that initiative climate shapes reason to motivation in terms of individuals' intrinsic because it influences how employees perceive the nature of their work (Hong et al. 2015).

According to House et al. (2004), the acceptance and effectiveness of leadership depends on leaders behaviours and contextual factors such as perceived climate for initiative. Followers perceiving high levels of initiative climate will respond more strongly and positively to their brand specific transformational leaders, subsequently exhibiting more favourable behaviours (Michaelis et al. 2010). That is, they are more receptive to brand specific leaders' individualised influence and inspirational motivation due to an increased concentration and energy during change-initiatives, which results in higher levels of innovation implementation behaviour (Michaelis et al. 2010). According to proactive motivation theory (Parker et al. 2010), distal individual perceptions (i.e., BSTFL)

and situational factors (i.e., initiative climate) interact to affect proactive work motivation and goal process. Similarly, the relationship between BSTFL and followers' proactive motivations will vary as a function of followers' perceived initiative climate. In essence, followers who perceive high levels of initiative climate generally respond more favourably to their leader (be motivated) because they believe that leader and peers encourage and work effectively toward goals of the service brand. Specifically, it is expected the strength of the relationships between BSTFL and perceived brand authenticity and psychological empowerment to differ across followers' perceptions of initiative climate to take personal initiative in engaging in brand building behaviours. Therefore,

H7: Initiative climate positively moderates the effect of BSTFL on psychological empowerment and perceived brand authenticity at the individual level.

3.2.4.3 The moderating role of regulatory mode orientations on the relationship between individual-level brand specific TFL and proactive motivations

In addition to the moderating role of initiative climate on the relationship between BSTFL and psychological empowerment and perceived authenticity at the individual level (Hypothesis 6), leadership researchers are keenly interested in the concept of regulatory mode orientations. This is because regulatory mode orientations refer to how people attain their goals and outlining processes toward goal attainment which is a fundamental aspect of leadership in firms (Bass 1985; Benjamin & Flynn 2006). According to proactive motivation theory (Parker et al. 2010), the interaction of contextual factors and individual differences has its

influence on can do and reason to motivations (Parker et al. 2010). To understand the nature of this interaction, it is helpful to delve into theoretical lens of regulatory mode orientations (Benjamin & Flynn 2006; Higgins 2000).

As discussed in Chapter Two, Section 2.6, locomotion orientation and assessment orientation of the regulatory mode theory represent employees' perceived capacity to succeed in a task and their self-started behaviour in pursuing goals are "can do" motivations for employee motivation and behaviours (Sok et al. 2015). Locomotion orientation is defined as the aspect of self-regulation concerned with movement from state to state, including commitment of psychological resources to initiate and maintain such movement toward goals (Kruglanski et al. 2000). Assessment orientation, on the other hand, is defined as the comparative aspect of self-regulation that "critically evaluates alternative goals or means to decide which are best to pursue" (Kruglanski et al. 2000, p. 793).

Regulatory mode theory suggests that followers will respond more enthusiastically to a particular style of leadership when it suits their self-regulatory orientations (Benjamin & Flynn 2006). It is argued that when individuals pursue their goals in a manner that fits their self-regulatory orientations, they become more motivated to put forth effort toward achieving their goal and focus their attention on goal attainment (Benjamin & Flynn 2006). This fit makes them feel "right" about what they are doing and increase their evaluation of that activity—it's fun, rewarding, meaningful, and important (Higgins 2000, 2002).

Some researchers believe that transformational leaders are more effective in motivating frontline employees because their transformational leadership

behaviours fit high locomotion orientation than employees with high assessment orientation (Benjamin & Flynn 2006). Individuals' with high locomotion orientation tend to get their tasks started and done quickly to move to another task without interruption (Sok et al. 2015). They prefer to be in movement while performing their tasks rather than just contemplating whether what they are doing is in the right direction (Kruglanski et al. 2009). Further, locomotors prefer to engage and react positively to new experiences and changing conditions (Sok et al. 2015).

Stemming from these notions and focusing on proactive motivations, one can argue that BSTFL at the individual level would elicit higher levels of proactive motivation from locomotion oriented employees. This is because when brand specific transformational leaders display higher levels of energy, drive, and perseverance (House et al. 1991), locomotors may respond positively to such energy, drive, and perseverance as they tend to display these qualities themselves (Kruglanski et al. 2000). Further, locomotion oriented followers would prefer the way transformational leaders challenge the status quo by outlining a clear path to an alternative end state (Benjamin & Flynn 2006). However, followers with a strong assessment regulatory mode orientation might appreciate brand specific transformational leaders but not being motivated. This is because they are more concerned with comparing alternatives before acting and appraising their performance in comparison to pre-existing standards (Benjamin & Flynn 2006; Higgins et al. 2003; Kruglanski et al. 2000). As such, they may prefer a more clinical and controlled approach (Kruglanski et al. 2009). Accordingly, brand specific transformational leaders will likely elicit higher levels of motivation from locomotion oriented followers because it matches their regulatory mode

orientation. This match will increase their can do motivation and reason to motivation. Therefore,

H8a: Locomotion orientation positively moderates the relationship between BSTFL and perceived brand authenticity and psychological empowerment at the individual level.

H8b: Assessment orientation negatively moderates the relationship between BSTFL and perceived brand authenticity and psychological empowerment at the individual level.

3.3 Employee brand building behaviours and service brand performance

Previous research has studied service firm performance from different perspectives, such as business unit performance, financial performance, or organisational performance (Chen et al. 2009; Chuang & Liao 2010). In general, performance includes customer-related outcomes and overall business performance using financial and market indicators such as profits, market share and sales (Santos-Vijande et al. 2013). This study adds an additional empirical advancement to address the important “so what” issue of how the central variables of the theoretical framework exert an impact on a service brand’s performance. In this study, service brand performance is defined as a measure of the strength of a service brand in the marketplace evidenced in growth in number of customers, profitability, sales growth, and overall performance (O’Cass & Ngo 2007).

Empirical research utilising the service profit chain (Heskett et al. 1994) has shown that service performance impacts customer satisfaction and loyalty (e.g., Liao 2007; Liao & Chuang 2004), which in turn improves a unit’s market performance in terms of market share, sales growth, and profitability (Chuang &

Liao 2010). Research focusing on employee brand building shows that when frontline employees exhibit positive branding behaviours, the outcomes are likely to be explicitly beneficial to the service brand's overall performance (Baumgarth & Schmidt 2010). For example, extra role branding behaviours have been found to have an effect on brand strength in terms of brand trust and brand loyalty (Burmman & Zeplin 2005) and satisfaction with the service employees (Baker et al. 2014). Relying on a similar underlying theoretical rationale, it is intuitively logical to propose that frontline employees' brand building behaviours are key factors influencing sales growth, growth in number of customers, market share, and profitability at the branch level. Following prior research in service performance (e.g., Chuang & Liao 2010), the current study focuses on employee brand building behaviours at the branch level rather than individual level. The reason behind this is because of the joint effects that employee brand building behaviours have on the service brand performance at the branch level. In other words, branch market performance reflects the interactions of employee behaviours, and the cumulative interactions create a stronger relationship with the branch's performance than the simple sum of employee brand building behaviours at the individual level. Therefore,

H9: Employee brand building behaviour is positively related to service brand performance at the branch level.

3.4 Conclusion

Being on the forefront and at the point of intersection between the service firm and customers, frontline service employees represent a significant factor in building strong service brands. Indisputable as this may sound, however, it is only

true to the extent that frontline service employees are proactively motivated. This chapter adopted proactive motivation theory to provide a comprehensive underpinning to the development of the multilevel theoretical framework that enables service firms to manage and build strong service brands. This framework comprises key factors in motivating employee brand building behaviours and building strong service brands. Specifically, the theoretical framework combines both mediation and moderation processes of BSTFL and employee brand building behaviours at both the individual and team levels. Importantly, the theoretical arguments advanced also addresses the important “so what” issue of how employee brand building behaviours exert an impact on service brand performance. This study is among the first studies that examines the impact of leadership on frontline employee branding building behaviours at both individual and team level in the service marketing domain to address processes that help build strong service brands.

Chapter Four

Research Design and Methodology

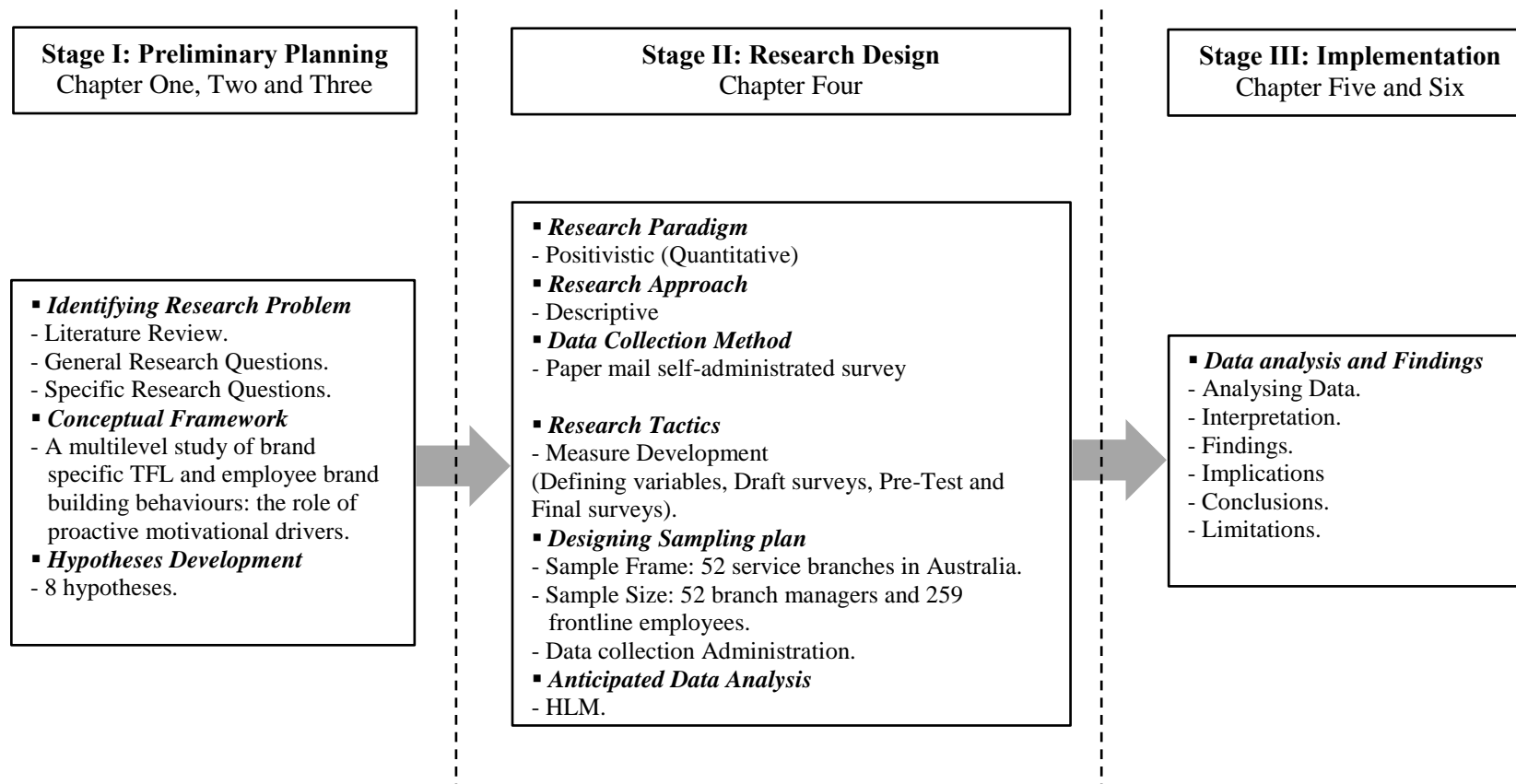
4.1 Introduction

A research design is “a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings” (Burns & Grove 2003, p. 195). Parahoo (1997) describes a research design as “a plan that describes how, when and where data are to be collected and analysed” (p. 142). Polit et al (2001) define a research design as “the researcher’s overall design for answering the research question or testing the research hypothesis” (p. 167). This chapter (i.e., Chapter Four) provides details of the research procedures developed and utilised to design and implement the study and help to answer the research questions proposed in Chapter One.

4.2 The process underpinning the research design

Generally, the research design process lays the foundation for conducting the study (Malhotra et al. 2008). The research design process outlined here is developed based on an adapted model of the research design process proposed by several scholars (Aaker et al. 2005; Malhotra et al. 2008; Punch 2005). The research design process employed in this study is presented in Figure 4.1, and includes three stages identified as Stage I: preliminary planning, Stage II: research design, and Stage III: implementation.

Figure 4.1 – The process underpinning the research design



Sources: Aaker et al. (2005); Malhotra et al. (2008) and Punch (2005)

As shown in Figure 4.1, preliminary planning is the first stage in which the research problem is identified and research questions are proposed. Specifically, the first stage aims to identify the research problem and research objectives (Chapter One), the literature review (Chapter Two), and finally development of the research model and research hypotheses (Chapter Three). The research design is the second stage in the research process and outlines the stages of research implementation. Figure 4.1 shows that the research design starts with identifying the paradigm that the research questions fit within, and end with the research tactics, which encompass the procedures used to develop research instruments, sampling, and data collection procedures (Chapter Four). Finally, the third stage is the implementation stage. Figure 4.1 shows that the implementation stage of the research design starts with data analysis and ends with implications and limitations of the study (Chapter Five and Chapter Six).

4.2.1 Stage I: Preliminary Planning

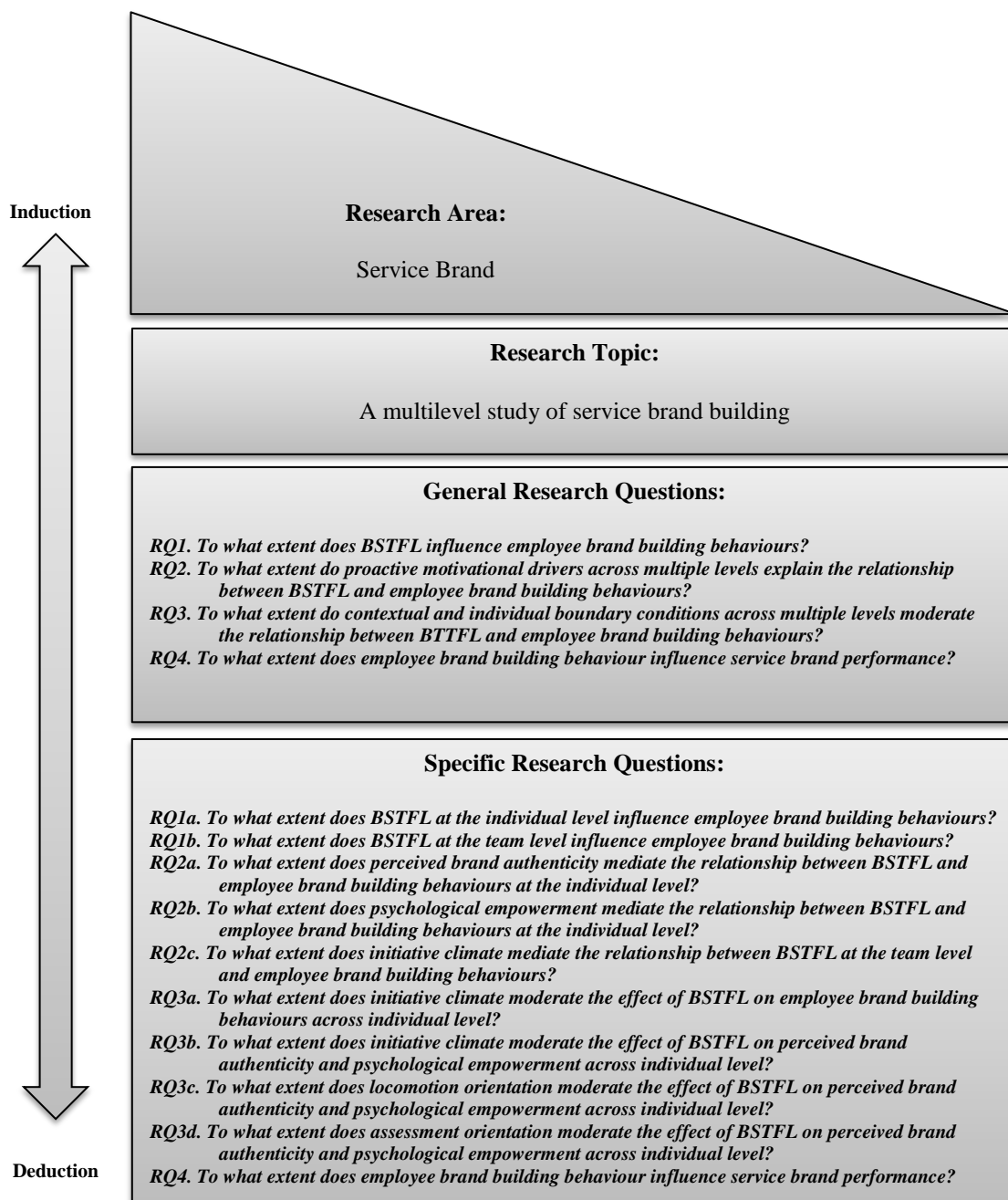
As shown in Figure 4.1, the preliminary planning stage in the research design process has a number of components, including the identifying research problem, literature review, developing general and specific research questions, and hypotheses development. These components are explained below.

4.2.1.1 Problem identification and research question development

To identify the research problem and develop the research questions, Andersen and Taylor (2007) and Punch (2005) propose that the information needed should be gathered from the literature related to the domain of study. Accordingly, to help identify the research domain and formulate general and specific research

questions in the research domain, Punch (2005) suggests a hierarchal approach including four concepts (i.e., area, topic, general research questions and specific research questions). These concepts vary in level of abstraction, forming an inductive-deductive hierarchy. The hierarchal concepts are shown in Figure 4.2.

Figure 4.2 - Inductive-deductive hierarchy of the research questions



Source: adapted from Punch (2005)

The purpose of the Figure 4.2 is to show how the specific research questions are developed from a general induction. As shown in Figure 4.2, the top level represents the first concept which is the research area (i.e., service brand). This level is more general and the most abstract. The bottom level represents specific research questions which is the most concrete. According to Punch (2005), the hierarchical process involves deduction when moving downwards from general to specific and induction when moving upwards from specific to general. Thus, the process of concepts in this research is forming a deductive approach from general information (i.e., research area) to specific research questions. That is, to identify the research problem, the study started with determining service branding as the research area which is more general and the most abstract. Within the research area, the second concept was related to identifying the research topic “A multilevel study of service brand building”. The third level represents general research questions that focus on specific aspects in the research area and topic. Finally, the bottom level which is more specific and represents specific research questions

4.2.1.2 The conceptual framework development

Having identified the specific research questions, the next stage is developing the conceptual framework. The conceptual framework represents a set of constructs and their logical interrelationships designed to represent some real system or process (Malhotra et al. 2008). As discussed in Chapter Three, the study hypotheses were developed drawing on the transformational leadership theory, proactive motivation theory (Parker et al. 2010) and employee brand building

theorising in Section 3.3 to articulate the interrelationships between the constructs of interest in the theoretical framework.

4.2.2 Stage II: Research Design

Recall from Section 4.2, the research design process is developed based on an adapted model of the research process drawn from Aaker et al. (2005); Malhotra et al. (2008) and Punch (2005). As shown in Figure 4.1, Stage Two focuses on developing a research plan including procedures and methods used for data collection, measures of constructs, and data analysis. According to the proposed model, this stage includes two key tasks, identifying the research paradigm and the research tactics. As shown in Figure 4.1, the research paradigm involves identifying the research approach and data collection method. Further, the research tactics involve the measures development of constructs, sampling plan, and the anticipated data analysis. These two tasks (i.e., research paradigm and research tactic) are discussed in detail in sections 4.2.2.1 and 4.2.2.2 respectively.

4.2.2.1 Research paradigm

The starting point to develop an effective and efficient research design for any empirical research is placing the research within a suitable paradigm that underpins every part of the research process from research design and data collection to data analysis methods (Cavana et al. 2001; Malhotra et al. 2008). The research paradigm is a fundamental base that presents principles and directions on which a research problem can be considered and analysed (Malhotra et al. 2008). Generally speaking, a research paradigm can be classified into two broad forms - positivistic (quantitative) and interpretivist (qualitative) research paradigms (Neuman 2011). Given the nature of the theory developed in Chapter Three and

the literature review in Chapter Two, the study is built on a positivistic research paradigm. Within the marketing literature, scholars have generally identified two prominent research paradigms – positivism, which is associated with quantitative research, and interpretivism, which is associated with qualitative research (Cavana 2001; Aaker et al. 2005). The quantitative research is used when one begins with a theory (or hypotheses) and tests for confirmation or disconfirmation of that hypothesis. Interpretivism, being associated with qualitative methodology is argued to be a subjective and inductive approach, using observations to search for patterns and themes through verbal rather than statistical analysis (Szmigin & Foxall 2000; Shankar & Goulding 2001; Morse & Mitcham 2002). Further, qualitative research is used when observing and interpreting reality with the aim of developing a theory that will explain what was experienced (Newman 2011). Since this study begins with a theory and hypotheses and not developing a theory that explains what was experienced, interpretivism is not suitable for this study. Furthermore, as the majority of research in the central fields of this research are quantitative, this research also builds on and adopted similar research design (see Morhart et al. 2009; Baker et al. 2014, Boukis et al. 2014; Löhndorf & Diamantopoulos 2014).

4.2.2.2 The research approach

The research approach determines how information regarding the research topic is obtained. Since a positivistic research paradigm is chosen for this study, this paradigm involves two approaches: causal and descriptive (Malhotra et al. 2008). According to Burns and Grove (2008), descriptive research “is designed to provide a picture of a situation as it naturally happens” (p. 201). Given that the hypotheses developed to predict the relationships in relation to the constructs in

the research model presented in Chapter Three aim to describe the relationships between the constructs outlined in this study, quantitative research methodology via descriptive research best describes this study. Causal research attempts to infer causation of previously identified relationships (Cavana et al. 2001; Aaker et al. 2005) and in doing so, attempts to examine the extent to which a change in a given construct is likely to have been affected by an observed change in another construct (Malhotra 2008). Causal research is thus appropriate when examining the reasons why certain market phenomena happen as they do (Hair et al. 2006) by using experimental or longitudinal data (Sreejesh et al. 2014). The nature of this study is descriptive and incorporates a quantitative study by using surveys. According to Sreejesh et al. (2014), surveys tend to be descriptive in nature. Therefore, a causal design is not applicable for this study. This is also in line with previous research focusing on service branding that has adopted a quantitative paradigm and descriptive research (e.g., Baker et al. 2014; Löhdorf & Diamantopoulos 2014; Morhart et al. 2009; O'Cass & Sok 2011).

4.2.2.3 Data collection method

After determining the research paradigm and the research approach, Figure 4.1, Stage II, shows that the next critical decision in the research design process is the selection of an appropriate data collection method (Aaker et al. 2005). Three general methods of obtaining data are commonly identified: observation, experimentation, and survey methods (Cavana et al. 2001; Groves & LaRocca 2011).

The survey method of gathering information is based on questioning respondents about themselves (perceptions, attitudes, behaviours and

demographics). Survey methods deploy a structured questionnaire which given to a sample of a population and designed to elicit specific information from respondents (Malhotra et al. 2008). Survey methods have several advantages. For example, collecting data using surveys is relatively simple to administer and fast to collect a great deal of data (Aaker et al. 2005; Cavana et al. 2001). It is simple to code and analyse the data and interpret the results (Robson 2011). Therefore, since the current study aims to examine individual participants' perceptions, attitudes and behaviours, collecting data via surveys is appropriate. This is in accordance with prior studies that utilise survey methods in studying service branding (e.g., Baker et al. 2014; King & Grace 2009; Löhndorf & Diamantopoulos 2014; Morhart et al. 2009; Wallace et al. 2013).

According to Groves and LaRocca (2011), data collection using surveys can be done through three main approaches (1) person-administrated, (2) computer-administrated, and (3) self-administered. The person-administrated approach necessitates the researcher and respondents to be present in the process of data collection. In contrast, there is no need for the researcher's presence in the process of data collection when employing either the computer-administrated approach or the self-administered approach.

Although the computer-administrated approach increases the speed of administration and reduces interviewer biases, it involves high set-up costs and may have confidentiality problems (Moutinho & Chien 2007). In addition, research focusing on service branding has widely adopted the self-administered approach (Grace & O'cass 2005; Ha et al. 2011; Roberts & Merrilees 2007). The decision was made to adopt a self-administered approach in this study.

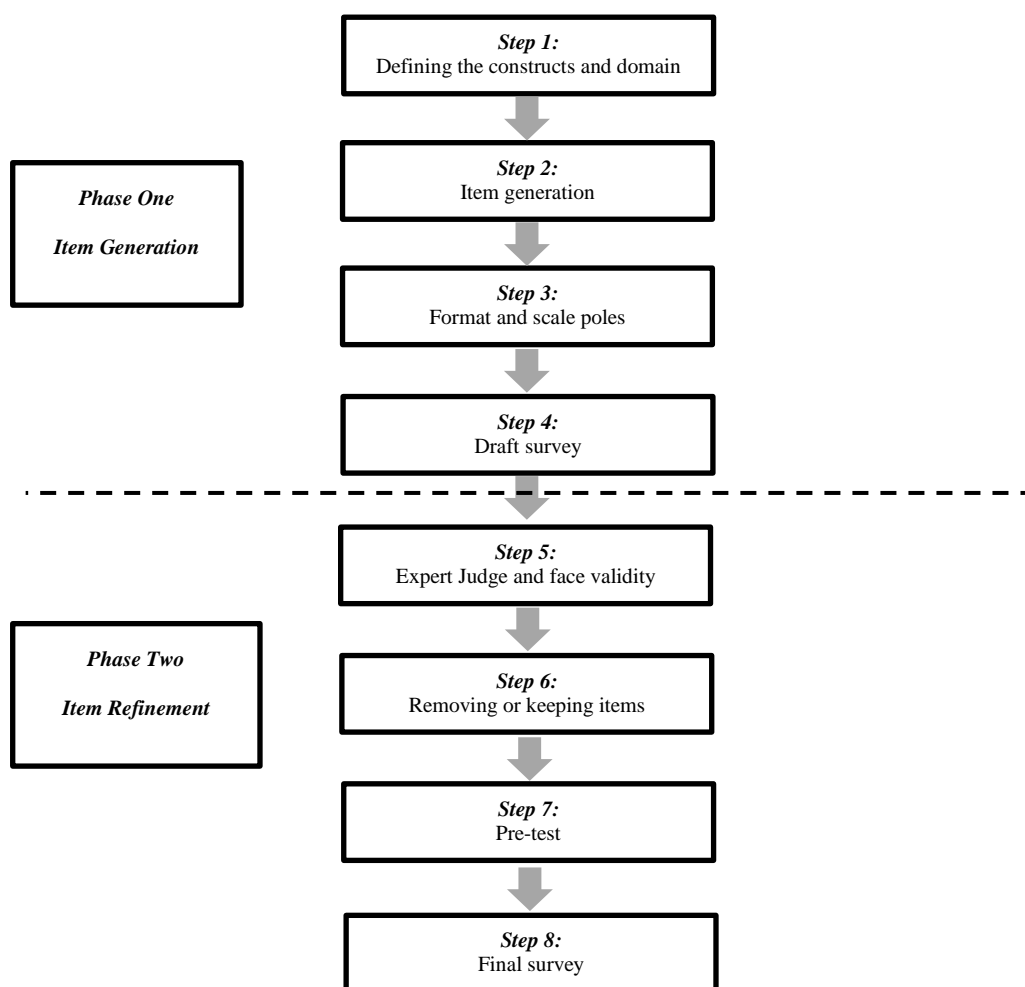
4.2.2.4 The research tactics

After determining the research approach and data collection technique, Figure 4.1 shows that the next task focuses on selecting the appropriate research tactics. Research tactics include the process of developing: (1) the constructs' measures, (2) the sampling plan including sampling frame, sample size, sampling method, and (3) the anticipated data analysis. These issues are discussed in the following sections.

4.2.2.4.1 Development of measures

As shown in Figure 4.1, the development of measures is one of two important tasks relating to the research tactics in Stage II. The purpose of measurement in theory testing is to capture or observe the abstract idea in empirical data (Neuman & Robson 2012). The process of measure development provides a set of procedures used to generate measures for a particular construct (Neuman & Robson 2012). Although all measures are adopted from the literature, this study follows the procedures outlined by Churchill and Iacobucci (2006) and Punch (2005) in the developing the survey measures. The reason behind using the scale development procedures is to show in detail the steps followed to identify and adopt existing measures and how they have been refined to context of this study. Further, previous students at UTAS also had the scale development procedures same as this thesis. This study adopts a two-phase procedure, including item generation and item refinement as suggested by some scholars (Churchill & Iacobucci 2006; Punch 2005). This procedure is outlined in Figure 4.3.

Figure 4.3 – Measurement development procedure



Sources: Adopted from Churchill and Iacobucci (2006) and Punch (2005)

Figure 4.3 shows that each phase of measurement development consists of four steps. The item generation phase involves defining constructs (Step 1), principles of items generation (Step 2), format and scale pole (Step 3) and draft survey (Step 4). The item refinement phase involves conducting expert-judges' evaluation of face validity (Step 5), decision rules of removing or keeping items (Step 6), pre-test (Step 7) and finalising the survey (Step 8). These steps are detailed below.

Phase One: Item Generation

As indicated above in Section 4.2.2.4.1 and outlined in Figure 4.3, the first phase of the process of construct development consists of four steps. These steps are presented as follow.

Step 1: Defining constructs and domain

In this step, definitions of the study constructs are established. The definitions of the study constructs are established from a review of the related literature including: (1) BSTFL, (2) perceived brand authenticity, (3) psychological empowerment, (4) initiative climate, (5) locomotion orientation, (6) assessment orientation, (7) employee brand building behaviours and (8) service brand performance. These definitions are the foundation of the measurement development process and were originally outlined in Chapter One. Definitions of these constructs are provided in Table 4.1 below.

Table 4.1 - Construct definitions

BSTFL	A leader's approach to motivating his or her followers to act on behalf of the corporate brand by appealing to their values and personal convictions (Morhart et al. 2009, p. 123).
Psychological empowerment	A motivational construct manifested in four cognitions: meaning, competence, self-determination, and impact (Spreitzer 1995, p. 1444).
Brand authenticity	An employee perception that a brand genuinely embodies the values it stands for in its positioning (Baker et al. 2014, p. 647).
Initiative climate	Formal and informal organisational practices and procedures guiding and supporting a proactive, self-starting, and persistent approach toward work (Baer & Frese 2003, p. 48).
Locomotion orientation	A self-regulatory mode orientation concerned with movement from state to state without undue distractions or delays (Kruglanski et al. 2000).

Table 4.1 - Continued

Assessment orientation	A self-regulatory mode orientation concerned with critically evaluating entities or states in relation to alternatives to judge relative quality (Kruglanski et al. 2000).
Employee brand building behaviour	Employees' contribution (both on and off the job) to an organisation's customer-oriented branding efforts (Morhart et al. 2009, p. 123).
Service brand performance	A measure of the strength of a service brand in the marketplace evidenced through growth in number of customers, profitability, sales, and overall performance (O'Cass & Ngo 2007).

Step 2: Item generation

After defining the constructs, this study utilised existing measures from the literature to create a pool of items. Accordingly, the measures of constructs utilised in this study are as follow.

BSTFL

To measure BSTFL, ten items are adopted from Morhart et al. (2009) representing the extent that a leader motivates his or her followers to act on behalf of their service brand by appealing to their values and personal convictions. The measure encompasses five facets of BSTFL: intellectual stimulation, inspirational motivation, idealised influence (attributes), idealised influence (behaviour), and individual consideration. Since these facets are highly correlated and thus empirically hard to separate from each other (Judge & Piccolo 2004), some scholars treat transformational leadership as a unidimensional construct (e.g., Barling et al. 2002; Charbonnier-Voirin et al. 2010; Judge & Bono 2000; Liao & Chuang 2007).

Further, this measure assesses the individual employees' perception of BSTFL at the individual level. The overall style of BSTFL displayed to the team as a whole (i.e., branch-level BSTFL) is assessed by aggregating across branch

employees' evaluations of the branch BSTFL (Liao & Chuang 2007). A further analysis of aggregation the individual employees' perception at the branch level is discussed in Chapter Five. Examples of the items in this measure are:

My Manager...

gets me to look at my job in terms of a branding task.

talks enthusiastically about what needs to be accomplished to strengthen our service brand.

Perceived brand authenticity

To measure perceived brand authenticity as an employee perception that a brand genuinely embodies the values it stands for in its positioning (Baker et al. 2014), a four item measure was adopted from Baker et al. (2014). Examples of the items in this measure are:

Our service brand...

genuinely embodies its image.

is not fake or unauthentic.

Psychological empowerment

To measure psychological empowerment as a motivational construct manifested in four cognitions: meaning, competence, self-determination, and impact (Spreitzer 1995), eight items were adopted from Spritzer (1995). Examples of the items in this measure are:

In general, I would say...

the work I do is very important to me

I am confident about my ability to do my job

Initiative climate

To measure initiative climate as “a shared perception of the formal and informal organisational practices and procedures guiding and supporting a proactive, self-starting, and persistent approach toward work” (Baer & Frese 2003, p. 48), seven items were adopted from Baer and Frese (2003). Initiative climate is theorised and tested at the team level in the literature (Hong et al. 2015; Raub & Liao 2012). Therefore, individual employees’ perception of initiative climate are aggregated to form the measure at the branch level (see Chapter Five for analysis of aggregation). Examples of the items in this measure are:

In general, I would say...

people in our branch actively attack problems.

people in our branch use opportunities quickly in order to attain goals.

Locomotion orientation

To measure locomotion orientation as self-regulatory mode orientation concerned with movement from state to state without undue distractions or delays, eight items were adapted from the work of Kruglanski et al. (2000). Examples of the items in this measure are:

In general, I would say...

I feel excited just before I am about to reach a goal.

when I decide to do something, I can't wait to get started.

Assessment orientation

To measure assessment orientation as a self-regulatory mode orientation concerned with evaluating states or entities in relation to alternatives to judge

relative quality, eight items were adapted from the work of Kruglanski et al. (2000). Examples of the items in this measure are:

In general, I would say...

I spend a great deal of time, taking inventory of my positive and negative characteristics.

I spend a great deal of time, taking inventory of my positive and negative characteristics.

Employee brand building behaviours

To measure employee brand building behaviours as the employees' contribution (both on and off the job) to an organisation's customer-oriented branding efforts, nine items are adopted from Morhart et al. (2009). These items represent individual employees' brand building behaviours. These behaviours are aggregated to form the measure at the branch level (see Chapter Five for analysis of aggregation). Examples of the items in this measure are:

In general, I would say...

I pay attention that my personal appearance is in line with our service brand's appearance.

I make constructive suggestions for service improvements.

Service brand performance

To measure service brand performance, a four item measure was adopted from O'Cass and Ngo (2007). This measure encompasses growth in number of customers, profitability, sales, and overall performance. Examples of the items in this measure are:

Relative to the objectives set by head office,

this branch's growth in customer numbers over the last year...

this branch's sales over the last year...

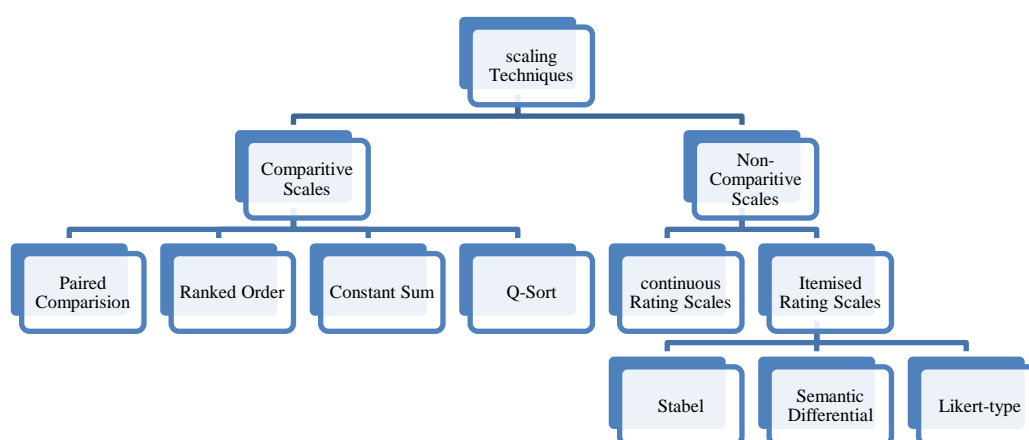
Control variables

Similar to other studies, demographic variables of respondents including age, education and experience were considered as control variables as they are shown to be related to employee brand building behaviours (Kirkman et al. 2009; Chang et al. 2012).

Step 3: Format and scale poles

Following item generation, the next key issue to address is choosing a type of scaling technique. According to Malhotra et al. (2008), there are two scaling techniques that have been used in marketing research: a) comparative scales, and b) non-comparative scales. These techniques also encompass different types of scales. Figure 4.4 shows an illustration of these types of scales used in both comparative and non-comparative scaling.

Figure 4.4 - Scaling techniques



Sources: adopted from Malhotra et al. (2008)

As shown in Figure 4.4, while comparative scales include paired comparison, ranked order scale, constant sum and Q-sort scale, the non-comparative scales consist of continuous (graphic rating) and itemised rating scales. Itemised scales are widely used in marketing research and form the basic components of more complex scales (Malhotra et al. 2008). As shown in Figure 4.4, itemised scaling is divided into three techniques: stable scaling, semantic differential scaling and Likert scaling. Likert scales are widely used as an itemised rating scale (Malhotra et al. 2008). Likert scales are seen as easy to develop and administer and easy for respondents to use (Robson 2011).

Importantly, all measures related to this study are taken from previous research that use Likert scales and thus, this study adopted the same scaling techniques (e.g., Baer & Frese 2003; Kruglanski et al. 2000; Baker et al. 2014; Morhart et al. 2009; Spritzer 1995; O'Cass & Ngo 2007). The scale poles of the constructs used in the study are illustrated in Table 4.2.

Table 4.2- Scale poles of the constructs

<u>BSTFL</u>						
Not at all						Frequently, if not always
1	2	3	4	5	6	7
<u>Perceived brand authenticity, Psychological empowerment, Initiative climate, Locomotion orientation, Assessment orientation, and Employee brand building behaviours</u>						
Strongly Disagree						Strongly Agree
1	2	3	4	5	6	7
<u>Service brand performance</u>						
Was/Were far below objectives			Met objectives			Was/Were far above objectives
1	2	3	4	5	6	7

Phase Two: Item Refinement

After generating the initial item pool in Phase One, content validity and face validity procedures were employed. To assess the measures, as shown in Figure 4.3, Phase Two represents the item refinement phase which includes four steps: expert-judging of face validity, decision rules for removing and/or keeping items, pretesting, and preparing final surveys. These four steps are presented below.

Step 5: Expert-Judges of face validity

As shown in Figure 4.3, Step 5 is the first step in Phase Two which pertains to expert judgement of face validity. Although all measures are taken from established literature, all measures were then submitted to a panel of expert judges (2 senior academics and 4 PhD students in marketing) for content validation and feedback regarding the items in each construct related to definitions readability. Following the same procedure that has been adopted by Morgan et al. (2012), the experts were provided with instructions for judge and evaluate the conceptual definition of the constructs with the corresponding items. The instructions for the experts were to rate each item as either: not representative, somewhat representative, or very representative of the construct's definition (e.g., O'Cass (Heirati et al. 2013; Ngo & O'Cass 2013; O'Cass & Siahtiri 2013). Some scholars (Hardesty & Bearden 2004; Ngo & O'Cass 2013) have recommended that after receiving feedback from expert judges, a decision about which items to remove (or modify) or retain should be considered.

Step 6: Decision rules for removing/ keeping items

There are three decision rules to retain or remove (modify) items from the item pool (draft measures for surveys). The first decision is based on the sum score, the second decision is based on the complete approach, and the last decision criterion is based on not representative rule (Ngo & O'Cass 2013; Hardesty & Bearden 2004). However, the expert-judges did not suggest removing any items from measure of constructs. Thus, all items are retained in the item pool.

Step 7: Pre-test

As shown in Figure 4.3 in Step 7 (the third step in Phase Two), a pre-test, follows the experts' judge and occurs before launching the final survey. Having chosen the measurement items for all constructs and scale poles, the physical layout of the survey becomes a critical component in the design stage (Ekerljung et al. 2013). The layout is argued to directly affect the ease of administration of the survey (Ekerljung et al. 2013; Toepoel & Dillman 2011; Aaker et al. 2004). As such, issues involving opening instructions and question sequence were addressed at this step (Podsakoff et al. 2003). To minimise possible errors and bias, every attempt was made to ensure that the instructions were clear and simply stated. Copies of the draft surveys were emaild to a key manager in each service firms participating in the study to celicit their feedback on survey format and items' understandability.

Step 8: Final survey

As shown in Figure 4.3, the final step in the process of measurement development is developing the final survey. As discussed and following previous research

(Baumgarth & Schmidt 2010; Bell et al. 2010), this study adopts a multiple informant design. The multiple informant design consists of branch managers and frontline employees (labelled as Survey A for managers and Survey B for frontline employees). Specifically, Survey A was completed by branch managers, who answered questions related to service brand performance including the growth in number of customers, profitability, sales, and overall performance of the service branch. Managers' assessment of the firm performance has been adopted within marketing research (e.g., Baumgarth & Schmidt 2010; O'Cass & Ngo 2007) because they are in a good position to respond to measures pertaining to the performance. Survey B was completed by frontline employees in each branch who answered questions related to their perceptions of BSTFL, perceived brand authenticity, psychological empowerment, initiative climate, locomotion orientation, assessment orientation, and employee brand building behaviours. The final surveys for the branch managers and employees have been attached in the appendix 1. The scale items for each construct's measure is provided in Table 4.3.

Table 4.3 - The scale items for construct's measure

Service Brand Performance

Relative to the objectives set by head office, ...

- | | |
|-------|--|
| PERF1 | this branch's growth in customer numbers over the last year... |
| PERF2 | this branch's sales over the last year ... |
| PERF3 | this branch's profitability over the last year... |
| PERF4 | this branch's overall performance over the last year... |

BSTFL

My manager...

- | | |
|-------|---|
| TFBL1 | gets me to look at my job in terms of a branding task. |
| TFBL2 | suggests a brand promoter's perspective of looking at how to complete assignments (e.g., work & serving customers). |
| TFBL3 | talks enthusiastically about what needs to be accomplished to strengthen our service brand. |
| TFBL4 | articulates a compelling vision for our service brand. |
| TFBL5 | instils pride in me for being associated with our service brand. |
| TFBL6 | lives our service brand in ways that build my respect. |
| TFBL7 | specifies the importance of having a strong sense of our service brand. |
| TFBL8 | spends time teaching and coaching me in brand-related issues. |

Table 4.3 – Continued

TFBL9	emphasises the importance of having a collective sense of our service brand mission.
TFBL10	helps me to develop my strengths with regard to becoming a good representative of our service brand.

Perceived Brand Authenticity

Our service brand...

BA1	genuinely embodies its image.
BA2	has integrity.
BA3	is not fake or unauthentic.
BA4	exists (operates) in accordance with its values and beliefs.

Psychological empowerment

In general, I would say...

Psy1	the work I do is very important to me.
Psy2	the work I do is meaningful to me.
Psy3	I am confident about my ability to do my job.
Psy4	I am self-assured about my capabilities to perform my work.
Psy5	I have significant autonomy in determining how I do my job.
Psy6	I can decide on my own how to go about doing my work.
Psy7	I have a great deal of control over what happens in my branch.
Psy8	I have a significant influence over what happens in my branch.

Initiative Climate

In general, I would say...

IC1	people in our branch actively attack problems.
IC2	whenever something goes wrong, people in our branch search for a solution immediately.
IC3	whenever there is a chance to get actively involved at work, people in our branch take it.
IC4	people in our branch take initiative immediately.
IC5	people in our branch use opportunities quickly in order to attain goals.
IC6	people in our branch usually do more than they are asked to do.
IC7	people in our branch are particularly good at realising ideas.

Locomotion Orientation

In general, I would say...

LOC1	I don't mind doing things even if they involve extra effort.
LOC2	I am a workaholic.
LOC3	I enjoy actively doing things, more than just watching and observing.
LOC4	I am a doer (i.e., a dynamo or active person).
LOC5	when I decide to do something, I can't wait to get started.
LOC6	by the time I accomplish a task, I already have the next one in mind.
LOC7	most of the time my thoughts are occupied with the task I wish to accomplish.
LOC8	when I get started on something, I usually persevere (i.e., persist) until I finish it.

Assessment Orientation

In general, I would say...

ASS1	I spend a great deal of time, taking inventory of my positive and negative characteristics.
ASS2	I like evaluating other people's plans and behaviours.
ASS3	I often compare myself with other people.
ASS4	I often critique work done by myself and others.

Table 4.3 – Continued

ASS5	I often feel that I am being evaluated by others.
ASS6	I am a critical person.
ASS7	I am very self-critical and self-conscious about what I am saying.
ASS8	when I meet new people I usually evaluate them on various dimensions (e.g., looks, achievements, social status, clothes).

Employee Brand Building Behaviour

In general, I would say...

In-role brand building behaviours

EBB1	I pay attention that my personal appearance is in line with our service brand's appearance.
EBB2	I ensure my actions are not at odds with our standards for brand-adequate behaviour.
EBB3	I adhere to our standards for brand-congruent (i.e., consistent) behaviour.

Participation in service brand

EBB4	I encourage co-workers to contribute ideas and suggestions for our service brand improvements.
EBB5	I contribute many ideas for customer promotions and communications about our service brand.
EBB6	I make constructive suggestions for our service improvements.

Advocacy

EBB7	I tell outsiders this is a good service brand to work for.
EBB8	I say good things about our service brand to others.
EBB9	I generate favourable goodwill for our service brand.

4.2.2.4.2 Design of sampling plan

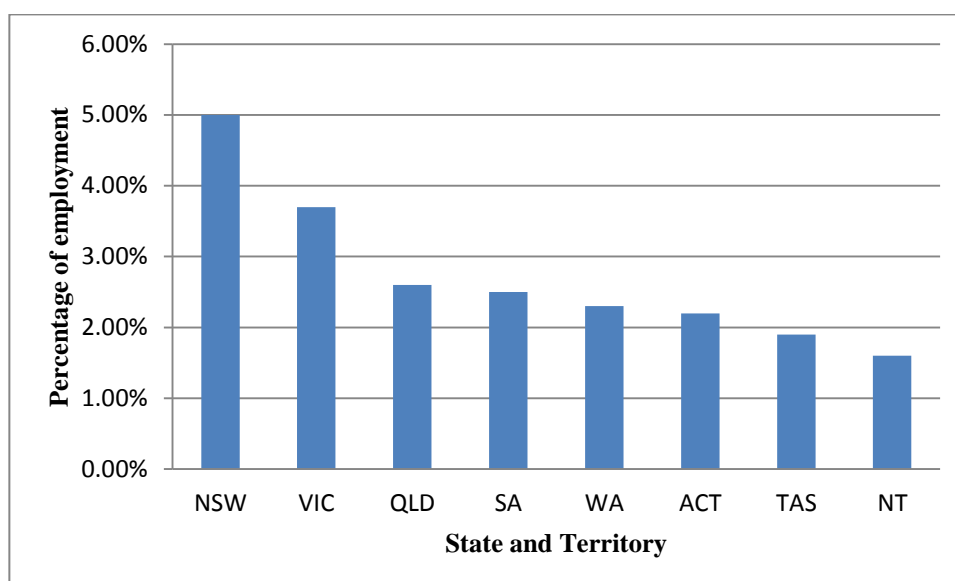
After completing the final surveys of the study, the next stage is to design a sampling plan. The primary purpose of sampling in quantitative studies is to create a representative sample drawn from population (a selected small collection of cases or units) that shares the features of the target population (Neuman & Robson 2012). Accordingly, sampling needs to be defined by specifying the target population, sampling frame, and the sample size.

Due to the important role of sample size in the estimation, reliability, and interpretation of results, it is recommended that a sample size can be chosen based on previous similar studies (Aaker et al. 2005). This research followed previous studies in the marketing field (Charbonnier-Voirin et al. 2010; Schmitz & Ganesan 2014) to anticipate the size of the sample. For instance, the sample size

of the study conducted by Schmitz and Ganesan (2014) was twenty nine managers and 212 employees. Charbonnier-Voirin et al. (2010) used a sample size of 120 employees nested in thirty five teams and their managers. These studies also used Hierarchical Linear Modelling (HLM) data analysis. Thus, the sample size of 29 or more teams and their managers with 120 or more employees is deemed appropriate when using HLM.

The researcher invited five large financial service firms (with a total of sixty-two teams). Based on Australian Government data (2016), Australia's financial services sector is the largest contributor to the national economy, contributing around \$140 billion to GDP over the last year. It has been a major driver of economic growth and, with 450,000 people employed here, will continue to be a core sector of Australia's economy into the future. According to the Australian Trade and Investment Commission (2017), highly developed financial markets make Australia one of the major centres of capital markets activity in Asia. Underpinning much of Australia's financial services strength is the growth of its investment funds sector. Australia has one of the largest pools of contestable funds under management globally, valued at about A\$1.3 trillion (US\$850 billion). Figure 4.5 shows the financial services as a percentage of employment by State and Territory. According to State of the Industry (2016), New South Wales is the largest employer in the financial services sector. The sample of this study is distributed in two states - New South Wales and Tasmania where the firms who agreed to participate had operations.

Figure 4.5: Financial services as a percentage of employment by State and Territory



Source: State of the Industry (2016)

As an incentive to participate and to increase the response rate, the study followed Morgan et al. (2012) by offering an individualised report of the study outcomes for each service firm. Specifically, the student researcher made an initial telephone contact to the managers of each service firm to seek their agreement to participate in this study. In this initial telephone contact, the student researcher provided managers with explanations of the study, how their contact details were obtained, and the purpose of the call.

It was also explained in the telephone conversation that there are two survey packages containing two separate sets of surveys, one for a manager at the branch (survey A) to fill in, and the other one for their frontline employees (survey B). At the end of the telephone conversation, an invitation to participate in the study was extended along with an explanation that their participation is voluntary and they withdraw at any time without disclosing reasons. One of the five service firms (with ten branches) refused to participate for reasons of work

overload. However, four service firms encompassing 52 branches agreed to take part in the study.

After the agreement, the managers of each service firm were asked to communicate with all of their branch managers and frontline employees to invite them to participate in the study. Because the sample consists of managers and frontline employees nested in multiple branches, surveys were coded according to the service firm and branch name so that they could be matched. After agreement was provided, the student researcher sent each branch a package including a manager survey and frontline employee surveys along with a stamped, preaddressed return envelopes.

All respondents were asked to complete their surveys and put the completed survey in the reply prepaid envelope provided by the researcher and return it directly to the researcher. From 52 branches, 52 manager surveys and 274 frontline employees surveys were received. However, some uncompleted surveys from some frontline employees were received, the final sample size is 52 teams/branches including 52 manager surveys and 259 frontline employee surveys. Each branch consists of a manager and 4 to 10 employees. The managers are responsible for management activities including effectively selecting, training, developing, and coaching employees. Managers supervise the branch's daily operational activities, adoption of business processes and manage employee work tasks and performance.

4.2.2.4.3 Anticipated data analysis techniques

This study followed a similar method of data analysis adopted by Román and Iacobucci (2010) and Wieseke et al. (2009). The units of analysis in this study

were cases (i.e., branches) comprising a manager and a set of frontline employees working under the branch manager supervision. As indicated in Section 1.5 in Chapter One, due to the nature of the theorising and testing hypothesised relationships between the constructs in a multilevel study (individual level and team level), Hierarchical Linear Modelling (HLM) is employed as a relevant method of data analysis and model estimation for this study.

Hierarchical Linear Modelling (HLM) is used as an appropriate technique in multilevel studies that are similar to this study (Liao & Chuang 2007; Wieseke et al. 2009; Yu et al. 2012). HLM is used to analyse variance in the outcome variables when the predictor variables are at varying hierarchical levels. Hofmann et al. (2000) suggest that HLM is conducted in a simultaneous two-stage process. In the first stage, HLM analyses the relationship among lower level constructs (i.e. employee) within each higher level unit (i.e., branch in this case), calculating the intercepts and slope(s) for the lower level model within each branch. In the second step, HLM analyses the relationship between the higher level constructs, for example, branch in this study, and the intercepts and slopes for each branch. Accordingly, this study adopts HLM as an appropriate data analysis technique.

In addition, because it is inappropriate to test the relationship between two constructs at level 2 in HLM (Braun et al. 2013; Liao & Chuang 2007), for example, BSTFL and initiative climate at the same level (i.e., branch level), some scholars (Liao & Chuang 2007; Wang & Howell 2010), have suggested using regular ordinary least squares (OLS) analysis from SPSS. Therefore, both HLM and SPSS have been used as data analysis techniques in this study.

4.2.3 Stage III: The implementation stage

As shown in Figure 4.1, the implementation stage (Stage III) is the final stage in planning of research design. This stage includes interpreting statistical indices and their meaning, which are presented in Chapter Five. Finally, in Chapter six, theoretical and managerial implications are discussed and limitations of the study are also outlined to open up future research opportunities are explored.

4.3 Conclusion

This chapter provided a detailed description of the methodology employed in this study. By following models proposed by Aaker et al. (2005); Malhotra et al. (2008) and Punch (2005), the methodology and research design were described in detail. The study adopts the positivism paradigm and designed as a quantitative, descriptive study. It adopts self-administrated surveys and utilises a paper mail survey technique as the means of data collection. Seven focal constructs and three control variables were measured by which a survey was constructed and refined for employee survey (Survey B) and one construct measuring service brand performance at the branch level in the manager survey (Survey A). The sample was 52 service branches including 52 managers and 259 frontline employees from four service firms in Australia. Given the multilevel nature of the study, HLM and regular ordinary least squares (OLS) analysis from SPSS are deemed to be appropriate for data analysis. The results of data analysis are provided in Chapter Five.

Chapter Five

Results

5.1 Introduction

The purpose of Chapter Five is to provide the results of tests of the hypotheses that answer the research questions. Reporting results links the research methods and data with implications drawn from the study. Initially, the results of the preliminary data analysis, including descriptive statistics of the sample, skewness and kurtoses analysis, factor and reliability analysis, along with convergent and discriminant validity assessments of the measurement model are presented in Section 5.2. This is then followed by the presentation of the results of the aggregation issues in Section 5.3 and hypotheses tests in Section 5.4, and HLM results in Section 5.5. The chapter is closes with some summary remarks in Section 5.6, along with a conclusion to the chapter in Section 5.7.

5.2 Preliminary analysis

As discussed in Chapter Four, the data were collected from 52 service branches of a sample. The sample encompasses managers and frontline employees. To describe the basic characteristics of the respondents, the results of the preliminary data analysis is provided. The preliminary analysis of data usually involves two important tasks (Anderson et al. 2010). The first, presented in Section 5.2.1, focuses on the profile of the sample based on demographic items of respondents across the managers and frontline employees. The second, presented in Section 5.2.2, focuses on reporting the descriptive statistics of the measures followed by

the results of the analysis of the psychometric properties of constructs to assess their reliability and validity in Sections 5.2.3 and 5.2.4 respectively.

5.2.1 Profile of the sample

Managers and frontline employees of each branch in the service firms were asked to complete survey A and B respectively. This section reports the profiles of the sample including (1) total years of experience in their current position, (2) total years of experience working in the current service firm (3) total years of experience in service sector, (4) age, (5) gender, and (6) education level. The information related to the years of work in the service firm experience of individual respondents and distribution of age, gender and education is presented below in Tables 5.1 and Table 5.2. Specifically, Table 5.1 presents the distribution of years of experience of respondents across Surveys A (team managers) and B (frontline employees).

Table 5.1 - Years of experience of respondents across surveys A and B

Years	Survey A			Survey B		
	Total years of experience in the current position	Total years of experience in the service firm	Total years of experience in service sector	Total years of experience in the current position	Total years of experience in the service firm	Total years of experience in service sector
1-5	79.7%	27.1%	49.2%	66.4%	57.1%	40.9%
6-10	11.9%	27.2%	22.1%	17.8%	14.7%	15.1%
>10	8.4%	45.7%	28.7%	15.8%	28.2%	44.0%

As shown in Table 5.1, more than half of the respondents (79.7% in Survey A and 66.4% in Survey B) have held their current position for between 1 to 5 years. A further 11.9% of the respondents in Survey A and 17.8% in Survey B have been working for the service firm for between 6 to 10 years, and finally,

8.4% of the respondents in Survey A and 15.8% in Survey B have been working in the service sector for more than 10 years.

Table 5.2 - Distribution of age, gender and education across surveys A and B

		Survey A	Survey B
Age	<30	18.6%	32.0%
	30 – 39	25.4%	24.3%
	40 – 49	23.8%	18.9%
	50 – 60	28.8%	19.3%
	>60	3.4%	5.4%
Gender	Male	33.9%	17.8%
	Female	66.1%	82.2%
Education	High School Graduate	69.5%	71.8%
	Undergraduate	8.5%	9.3%
	Postgraduate	8.5%	5.4%
	Others	13.6%	13.5%

As shown in Table 5.2, the distribution of respondents' gender shows that the majority of respondents in both surveys were female (66.1% in Survey A and 82.2% in Survey B) and 33.9% of the respondents in Survey A and 17.8% in Survey B were male. Finally, the distribution of respondents' education shows that the majority of respondents in Survey A and B were high school graduates (69.5% in Survey A and 72% in Survey B).

5.2.2 Descriptive statistic analysis results

As mentioned in Chapter Four, data were obtained from 52 branch managers and 259 frontline employees at service branches. Descriptive statistics including means, standard deviation (SD), skewness, kurtosis and factor loadings⁶ are computed. Higher standard deviations indicate that data are spread over a large range of values (Niles 2014). The skewness and kurtosis tests examine the shape

⁶ Principal component extraction with Varimax rotation is applied using SPSS.

of the distribution and normality of items (Joanes & Gill 1998). Skewness has two tails; the negative values on the left tail and the positive values on the right tail ranging between ± 1 . A close value of skewness to zero, indicates the best symmetry of the distribution. Kurtosis is a measure of peakness or flatness of the distribution relative to a normal distribution and has negative and positive values as well ranging between ± 3 (Joanest & Gill 1998). These descriptive statistics are shown in Table 5.3.

Table 5.3 - Descriptive statistics and preliminary analysis results

		Mean	SD	Skew	Kurt	F. loading
Service Brand Performance (α =.96; AVE =.90)						
Relative to the objectives set by head office, ...						
PERF1	this branch's growth in customer numbers over the last year...	3.9	1.6	0.3	-0.3	.91
PERF2	this branch's sales over the last year ...	3.9	1.8	0.3	-0.7	.96
PERF3	this branch's profitability over the last year...	4.0	1.6	0.4	-0.5	.96
PERF4	this branch's overall performance over the last year...	4.0	1.6	0.2	-0.5	.96
BSTFL (α = .96; AVE =.72)						
My manager...						
TFBL1	gets me to look at my job in terms of a branding task.	5.1	1.3	-0.5	0.1	.69
TFBL2	suggests a brand promoter's perspective of looking at how to complete assignments (e.g., work & serving customers).	5.3	1.4	-0.9	0.9	.83
TFBL3	talks enthusiastically about what needs to be accomplished to strengthen our service brand.	5.9	1.2	-1.2	1.4	.87
TFBL4	articulates a compelling vision for our service brand.	5.6	1.3	-0.9	0.5	.89
TFBL5	instils pride in me for being associated with our service brand.	5.5	1.4	-0.9	0.4	.86
TFBL6	lives our service brand in ways that build my respect.	5.6	1.3	-1.0	0.8	.84
TFBL7	specifies the importance of having a strong sense of our service brand.	5.7	1.2	-1.0	0.8	.89
TFBL8	spends time teaching and coaching me in brand-related issues.	5.1	1.5	-0.7	-0.1	.86
TFBL9	emphasises the importance of having a collective sense of our service brand mission.	5.8	1.2	-1.1	1.6	.87
TFBL10	helps me to develop my strengths with regard to becoming a good representative of our service brand.	5.4	1.3	-0.9	0.8	.88

Table 5.3 – Continued

		Mean	SD	Skew	Kurt	F. loading
Perceived Brand Authenticity ($\alpha = .95$; AVE = .86)						
Our service brand...						
BA1	genuinely embodies its image.	5.5	1.1	-0.6	0.1	.90
BA2	has integrity.	5.7	1.1	-0.9	0.7	.91
BA3	is not fake or unauthentic.	5.8	1.1	-0.9	0.7	.93
BA4	exists (operates) in accordance with its values and beliefs.	5.7	1.2	-1.0	0.8	.93
Psychological Empowerment ($\alpha = .83$; AVE = .77)						
In general, I would say...						
Psy1	the work I do is very important to me.	5.8	1.2	-0.9	0.3	.89
Psy2	the work I do is meaningful to me.	5.6	1.3	-0.9	0.6	.91
Psy3	I am confident about my ability to do my job.	6.0	0.9	-1.0	0.9	.86
Psy4	I am self-assured about my capabilities to perform my work.	5.7	1.1	-1.0	1.6	.73
Psy5	I have significant autonomy in determining how I do my job.	5.2	1.4	-1.0	0.9	.68
Psy6	I can decide on my own how to go about doing my work.	5.8	1.1	-1.4	2.7	.82
Psy7	I have a great deal of control over what happens in my branch.	4.0	1.5	-0.4	-0.4	.91
Psy8	I have a significant influence over what happens in my branch.	4.3	1.6	-0.5	-0.4	.86
Initiative Climate ($\alpha = .92$; AVE = .67)						
In general, I would say...						
IC1	people in our branch actively attack problems.	5.4	1.2	-0.9	0.9	.77
IC2	whenever something goes wrong, people in our branch search for a solution immediately.	5.5	1.2	-1.0	1.6	.84
IC3	whenever there is a chance to get actively involved at work, people in our branch take it.	5.2	1.2	-0.5	0.3	.85
IC4	people in our branch take initiative immediately.	5.3	1.2	-0.6	-0.1	.88
IC5	people in our branch use opportunities quickly in order to attain goals.	5.5	1.1	-0.6	0.8	.80
IC6	people in our branch usually do more than they are asked to do.	5.3	1.4	-1.0	1.3	.77
IC7	people in our branch are particularly good at realising ideas.	5.2	1.3	-0.8	0.6	.82
Locomotion Orientation ($\alpha = .82$; AVE = .61)						
In general, I would say...						
LOC1	I don't mind doing things even if they involve extra effort.	6.2	0.8	-0.8	0.3	.79
LOC2	I am a workaholic.	4.5	1.5	-0.5	0.1	.70
LOC3	I enjoy actively doing things, more than just watching and observing.	6.3	0.8	-1.3	2.1	.84
LOC4	I am a doer (i.e., a dynamo or active person).	5.8	1.0	-1.1	2.0	.56
LOC5	when I decide to do something, I can't wait to get started.	5.6	1.1	-0.7	0.8	.53
LOC6	by the time I accomplish a task, I already have the next one in mind.	5.3	1.1	-0.9	2.1	.80

Table 5.3 – Continued

		Mean	SD	Skew	Kurt	F. loading
LOC7	most of the time my thoughts are occupied with the task I wish to accomplish.	5.4	1.1	-0.6	0.3	.81
LOC8	when I get started on something, I usually persevere (i.e., persist) until I finish it.	6.2	0.9	-1.4	2.9	.65
Assessment Orientation ($\alpha = .84$; AVE = .61)						
In general, I would say...						
ASS1	I spend a great deal of time, taking inventory of my positive and negative characteristics.	4.5	1.5	-0.5	-0.3	.73
ASS2	I like evaluating other people's plans and behaviours.	4.3	1.5	-0.3	-0.4	.64
ASS3	I often compare myself with other people.	4.6	1.7	-0.4	-0.7	.74
ASS4	I often critique work done by myself and others.	5.0	1.4	-0.7	0.4	.78
ASS5	I often feel that I am being evaluated by others.	4.9	1.5	-0.6	0.2	.59
ASS6	I am a critical person.	4.0	1.7	-0.2	-0.8	.81
ASS7	I am very self-critical and self-conscious about what I am saying.	5.3	1.4	-0.8	0.3	.81
ASS8	when I meet new people I usually evaluate them on various dimensions (e.g., looks, achievements, social status, clothes).	3.9	1.7	-0.1	-0.8	.77
Employee Brand Building Behaviour ($\alpha = .84$; AVE = .78)						
In general, I would say...						
In-role brand building behaviours ($\alpha = .86$; AVE = .78)						
EBB1	I pay attention that my personal appearance is in line with our service brand's appearance.	6.4	0.7	-1.0	0.6	.75
EBB2	I ensure my actions are not at odds with our standards for brand-adequate behaviour.	6.4	0.8	-1.1	1.1	.82
EBB3	I adhere to our standards for brand-congruent (i.e., consistent) behaviour.	6.3	0.8	-1.1	0.5	.76
Participation in service brand ($\alpha = .79$; AVE = .71)						
EBB4	I encourage co-workers to contribute ideas and suggestions for our service brand improvements.	5.2	1.2	-0.6	-0.4	.86
EBB5	I contribute many ideas for customer promotions and communications about our service brand.	4.9	1.4	-0.8	0.6	.84
EBB6	I make constructive suggestions for our service improvements.	5.0	1.2	-0.5	0.3	.83
Advocacy ($\alpha = .90$; AVE = .84)						
EBB7	I tell outsiders this is a good service brand to work for.	5.7	1.2	-0.9	0.6	.95
EBB8	I say good things about our service brand to others.	6.0	1.0	-0.9	0.7	.90
EBB9	I generate favourable goodwill for our service brand.	6.0	1.0	-0.8	0.5	.89

Table 5.3 reports descriptive statistics for all constructs. The results show that the means for items are above 3.9 and below 6.3. Standard deviations for the majority of items exceed 1 which show good variation in responses. Skewness values for the majority of items are ranging between ± 1 . All Kurtosis values are acceptable ranging between ± 3 . Finally, factor loadings for all items of all constructs are greater than the minimum acceptable level of 0.5 (Hair et al. 2012). Overall, descriptive statistics are acceptable for measure assessment.

5.2.3 Measure assessment

Having examined the measures in terms of distributions and factor loadings, further analysis of convergent validity and discriminant validity are undertaken.

5.2.3.1 Convergent validity

Convergent validity captures the extent that an indicator is associated with its intended construct (Hulland 1999). Three criterion conditions are used in testing convergent validity. The first being the average variance explained (AVE) of constructs should exceed 0.5 threshold (Hulland 1999; Fornell and Larcker 1981); the second is Cronbach alpha (α) of constructs should be above 0.7 (Hair et al. 2012); and third is that all factor loadings should be greater than 0.5 (Hair et al. 1998). As shown in Table 5.3 above, the AVE, Cronbach alpha and all individual factor loadings meet these conditions, providing adequate evidence of convergent validity.

5.2.3.2 Discriminant validity

Discriminant validity refers to the extent to which the items representing a constructs discriminate it from the items representing other constructs (Hulland 1999). To satisfy discriminant validity, there are two criterion approaches. In the first, discriminant validity is evidenced when the correlation of the pairwise correlation is not greater than their respective reliability estimates (Gaski & Nevin 1985; Ngo & O’Cass 2012). In the second, discriminant validity is achieved when the square root of their respective AVE estimates is greater than the correlation with the othert constructs (Hair et al. 2006; Fornell & Larcker 1981). Table 5.4 shows construct statistics and correlation matrix.

Table 5.4 - Construct statistics and correlation matrix

Construct	Mean	AVE	α	SD	1	2	3	4	5	6	7	8	9	10
Individual level														
1. BSTFL	5.49	.72	.96	1.10	(.85)									
2. Perceived brand authenticity	5.67	.86	.95	1.07	.44**	(.93)								
3. Psychological empowerment	5.31	.77	.83	.86	.40**	.37**	(.88)							
4. Locomotion orientation	5.68	.61	.82	.70	.32**	.37**	.55**	(.78)						
5. Assessment orientation	4.58	.61	.84	1.06	.09 ^{n.s.}	.11 ^{n.s.}	.20**	.30**	(.78)					
6. Employee brand building behaviours	5.77	.78	.84	.69	.43**	.56**	.61**	.52**	.17**	(.88)				
Branch level ^a														
7. BSTFL	5.44	-	-	.85	.60**	.24**	.20**	.11 ^{n.s.}	-.04 ^{n.s.}	.23**	-			
8. Initiative climate	5.33	.67	.92	.64	.34**	.28**	.14*	.04 ^{n.s.}	-.11 ^{n.s.}	.18**	.56**	(.82)		
9. Employee brand building behaviours	5.78	-	-	.44	.25**	.46**	.33**	.22**	.07 ^{n.s.}	.55**	.42**	.32**	-	
10. Service brand performance ^b	3.64	.90	.96	1.62	.27**	.24**	.11 ^{n.s.}	.13*	.03 ^{n.s.}	.17**	.46**	.43**	.32**	(.95)

Notes: AVE = Average variance extracted; square root of AVE = assessments are shown boldfaced, italicised in parentheses; α = Cronbach's alpha; SD = standard deviation. ^{n.s.} $p > .10$; * $p < .10$; ** $p < .05$; *** $p < .01$; **** $p < .001$ (two-tailed test); ^a = each employee has been assigned the same branch means to calculate the individual level correlations. ^b = assessed by managers at branch level.

Table 5.4 shows that the two criterion for demonstrating discriminant validity are met. The reliability estimates of constructs (range from .82 to .96), and the square root of their respective AVE estimates (range from .78 to .95) are greater than their respective correlation values (range from -.11 to .61). Overall, the results show that all values of the corresponding constructs satisfy the tests of discriminant validity.

5.3 Data aggregation

As described above, BSTFL is introduced at both individual and team levels and initiative climate were introduced at the team level of analysis. Since these constructs were measured at the individual level, their aggregation to the branch level was required for further analyses. That is, for aggregation from the individual level to the branch level, there should be a sufficient within-group agreement with respect to the construct of interest (Biemann et al. 2012).

In case of the absence such within-group agreement, the aggregate construct is invalid. Therefore, measures such as $r_{wg(J)}$ as a measure of agreement within teams and the benchmark of the average $r_{wg(J)}$ should be equal or higher than 0.70 to justify the aggregation (James et al. 1984). further, intraclass correlations (ICC1) should exceed 0.10, and reliability of team means (ICC2) should be higher than ICC1 (Bliese 2000). Finally F-tests which indicates whether average scores differed significantly across teams.

The average $r_{wg(J)}$ of the BSTFL across 52 branches is 0.91. The ICC(1) and ICC(2) for BSTFL are 0.19 and 0.55, respectively. The F-values associated with the ICCs are also significant ($F_{(52, 259)}=2.20, p < .001$). The average $r_{wg(J)}$ of the initiative climate across 52 branches is 0.89. ICC(1) and ICC(2) for initiative

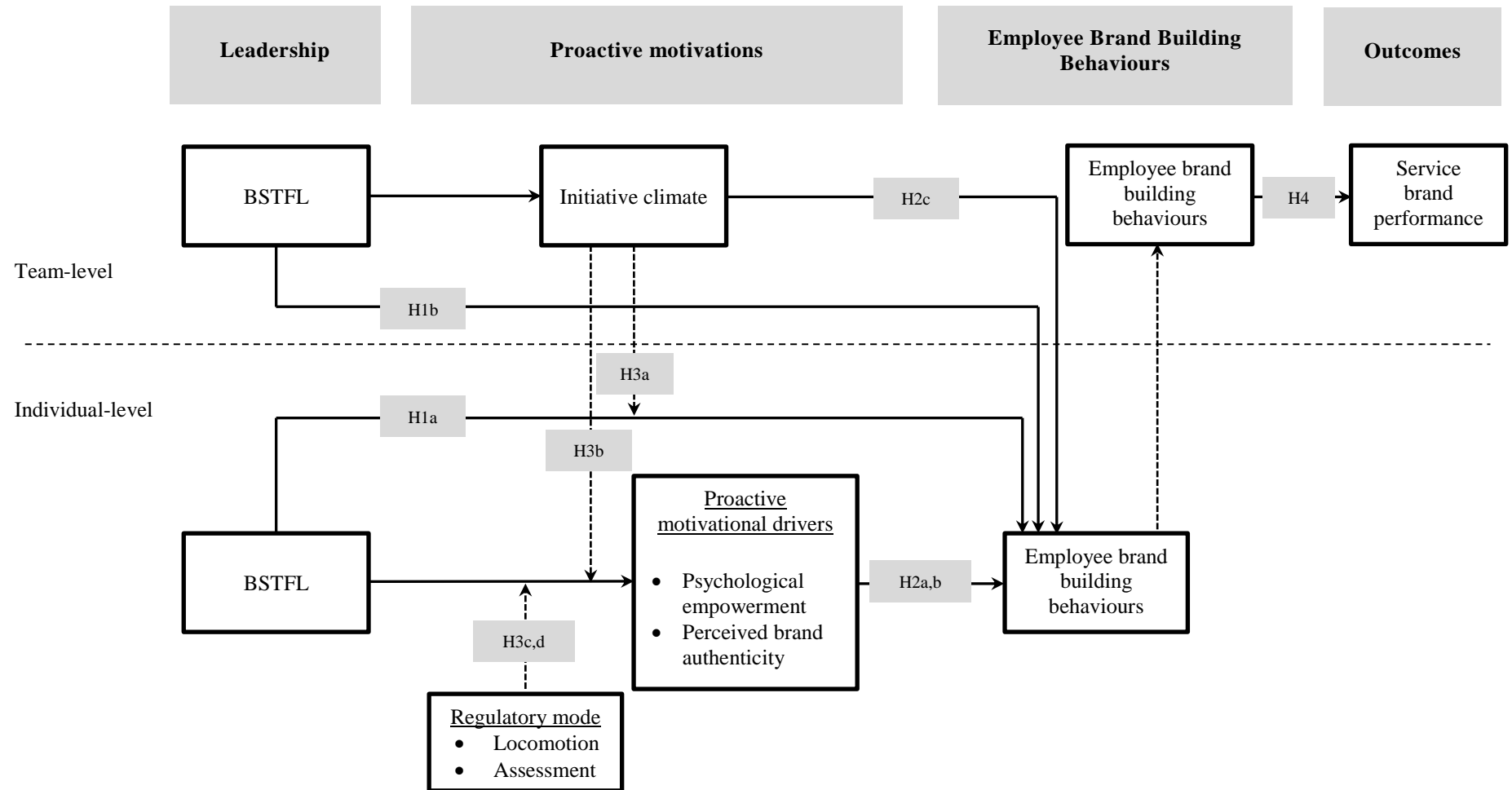
climate are .16 and .48, respectively. The F-values associated with the ICCs are also significant for initiative climate ($F_{(52, 259)} = 1.94, p < .01$).

Overall, the results show strong between-group variation and within-group agreement, supporting the appropriateness of aggregating BSTFL, and initiative climate to team levels (Bliese 2000; James et al. 1984). Specifically, the relatively high ICC2 values suggest that it is acceptable to detect emergent relationships using group means (Bliese 2000).

5.4 Hypotheses testing

Hierarchical Linear Modelling (HLM) is identified as an appropriate means to test the hypotheses developed in Chapter Three. This research aims to predict individual and branch processes related to service branding. The multilevel theoretical model labelled as “A multilevel study of service brand building” is presented in Figure 5.1. The data are hierarchical in nature with employees nested in different branches (see also Liao & Chuang 2007). HLM explicitly accounts for the nested data and can simultaneously estimate the impact of factors at multiple levels on individual-level outcomes (i.e., employee brand building behaviours), while maintaining appropriate levels of analysis for the predictors (see also Bryk & Raudenbush 1992; Liao & Chuang 2007). Thus, hierarchical linear modelling (HLM) is used and the results are reported in Subsection 5.3.3.

Figure 5.1 – A multilevel study of service brand building



5.5 HLM results

Before testing the study hypotheses, estimating the heterogeneity of relationships in the proposed model among different branches is necessary (Chiang et al. 2012). Using Null model analysis tests the existence of heterogeneity of relationships explored in the proposed model among different branches. Null model analysis in which no predictors are evaluated on either the individual level or team level is conducted. Table 5.5, shows the Null model for the constructs of interest.

Table: 5.5 - Hierarchal linear modelling results- Null model

Dependent constructs				
Level-1 Model $Y = B0 + R$	Intercept			
Level-2 Model $B0 = G00 + U0$	$\gamma00$	SE	$\tau00$	σ^2
BSTFL	5.48***	0.09	0.22***	1.03
Perceived Brand Authenticity	5.70***	0.09	0.23***	0.93
Psychological Empowerment	5.30***	0.06	0.05*	0.68
Initiative Climate	5.34***	0.08	0.16***	0.83
Locomotion Orientation	5.66***	0.05	0.04*	0.45
Assessment Orientation	4.57***	0.08	0.12**	0.99
Employee Brand Building Behaviours	5.77***	0.05	0.06***	0.42

Notes: * $p < .05$; ** $p < .01$; *** $p < .001$; $\gamma00$ = intercept of Level 2 regression predicting $B0$; σ^2 = variance in Level 1 residual (i.e., variance in R); $\tau00$ = variance in Level 2 residual for models predicting $B0$ (i.e., variance in $U0$).

As shown in Table 5.5, the residual variances of the intercepts of BSTFL ($\tau00 = 0.22$, $p < .001$), initiative climate ($\tau00 = 0.16$, $p < .001$), and employee brand building behaviours ($\tau00 = 0.06$, $p < .01$), are all significant providing evidence for heterogeneity of relationships in the proposed model among different branches.

Following Zhang et al.'s (2009) recommendations for testing multilevel hypotheses, BSTFL and initiative climate are grand-mean centered as team-level constructs. BSTFL, perceived brand authenticity psychological empowerment,

locomotion orientation, and assessment orientation at the individual level are group-centred constructs. The results of the hierarchical linear model that were tested are presented in Table 5.6.

As an initial step, control variables (experience in the current position, gender and education) which are typically included in employee behaviour research are included in one model (Table 5.6, Model 7) to control for the dependent variable (i.e., employee brand building behaviours). Following the recommendations of some scholars (e.g., Becker 2005; Nohe et al. 2013; Fong & Snape 2015), these control variables have been omitted from subsequent analysis because they do not have significant relationships with employee brand building behaviours.

Table 5.6 - Results for the hierarchical linear model analysis

Level and variable	BATH			PSYE			Employee Brand Building Behaviours				
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11
Level 1(individual level)											
Intercept	5.69**	5.69**	5.70**	5.29**	5.28**	5.31**	5.76**	5.76**	5.77**	5.76**	5.77**
Experience in the current position							0.01 ^{n.s}				
Employee gender							-0.01 ^{n.s}				
employee education							0.02 ^{n.s}				
BSTFL	0.44**	0.30 ^{n.s}	0.45**	0.34**	0.64 ^{n.s}	0.38**		0.29**	0.09*	0.29**	0.34**
Brand Authenticity									0.17**		
Psychological Empowerment									0.35**		
Locomotion Orientation		0.43 ^{n.s}			1.10*						
Assessment Orientation		0.02 ^{n.s}			-0.27 ^{n.s}						
BSTFL × Locomotion Orientation		0.00 ^{n.s}			-0.12 ^{n.s}						
BSTFL × Assessment Orientation		0.00 ^{n.s}			0.05 ^{n.s}						
Level 2 (branch level)											
BSTFL	0.31†	0.30†	0.19 ^{n.s}	0.24*	0.23*	0.23*		0.21*	0.19*	0.17†	-0.44 ^{n.s}
Initiative Climate			0.31 ^{n.s}			0.05 ^{n.s}				0.09 ^{n.s}	-0.64 ^{n.s}
BSTFL × Initiative Climate											0.13 ^{n.s}
Cross-level											
Individual BSTFL × Initiative climate			-0.05 ^{n.s}			0.09 ^{n.s}					0.18**
Branch BSTFL × Locomotion orientation		-0.18 ^{n.s}			0.19 ^{n.s}						
Branch BSTFL × Assessment orientation		0.03 ^{n.s}			0.05 ^{n.s}						
n (Level 1)	52	52	52	52	52	52	52	52	52	52	52
n (Level 2)	259	259	259	259	259	259	259	259	259	259	259
Deviance	709.149	701.927	690.687	616.514	582.385	614.952	551.732	495.949	431.414	496.192	484.167

Notes: ^{n.s}. p > .10; † p < .10; * p < .05; ** p < .01; M= models, in all models, Level 1 constructs are group-mean centred and Level 2 constructs are grand-mean centred. BATH= brand authenticity and PSYE= psychological empowerment. Entries corresponding to the predicting constructs are estimations of the fixed effects with robust standard errors. Deviance is a measure of model fit; the smaller the deviance is, the better the model fits. Deviance = 2 × log-likelihood of the full maximum-likelihood estimate.

BSTFL and employee brand building behaviours (hypotheses 1 and 2)

In hypothesis 1 and 2, it is posited that BSTFL at the individual level is positively related to employee brand building behaviours (hypothesis 1) and BSTFL at the team level is positively related to employee brand building behaviours (hypothesis 2). The results presented in Table 5.6, Model 8, indicate BSTFL at the individual level ($\gamma = 0.29, p < .01$) and BSTFL at the team level ($\gamma = 0.21, p < .05$) significantly predicts employee brand building behaviours, supporting hypotheses 1 and 2.

The multilevel mediation processes (hypotheses 3, 4 and 5)

Hypothesis 3 and 4 proposed that psychological empowerment (hypothesis 3) and perceived brand authenticity (hypothesis 4) mediate the relationship between BSTFL and employee brand building behaviours at the individual level. To examine this hypothesis the four-step procedure for mediation analysis described by Kenny et al. (1998) is followed. The first step indicates that the independent variable (i.e., BSTFL) needs to be related to the dependent variable (i.e., employee brand building behaviours). As tested above, the first requirement is supported in testing hypothesis 1 (Model 8). The second step suggests that the independent variable needs to be related to the mediators (i.e., psychological empowerment (i.e., hypothesis 3) and perceived brand authenticity (i.e., hypothesis 4). As shown in Table 5.6, after controlling for BSTFL at the team level, BSTFL at the individual level is significantly related to psychological empowerment ($\gamma = .34, p < .01$; Model 4) and perceived brand authenticity ($\gamma = 0.44, p < .01$; Model 1); meeting the second requirement. In testing step 3; the

mediators need to be related to the dependent variable⁷ and 4; the independent variable and mediator needs to be related to dependent variable (i.e., partial mediation) or only the mediator needs to be related to dependent variable (i.e., full mediation).

Thus, BSTFL and the mediators (psychological empowerment and perceived brand authenticity) are included together in the analysis. Based on the results of Model 9 presented in Table 5.6, psychological empowerment ($\gamma = 0.35$, $p < .01$) and brand authenticity ($\gamma = 0.17$, $p < .01$) are significantly related to employee brand building behaviours, and the effect of BSTFL is significant as well ($\gamma = .09$; $p < .10$), providing support for hypotheses 3 and 4. However, because BSTFL still significantly related to employee brand building behaviours after including the mediators, this means psychological empowerment and perceived brand authenticity are partial mediators.

In hypothesis 5, it is predicted that initiative climate mediates the relationship between team level BSTFL and employee brand building behaviours. Hypothesis 5 is tested by following the four-step test procedure for mediation described above in testing hypotheses 3 and 4. As shown in Table 5.6, Model 8, team level BSTFL was significantly related to employee brand building behaviours (hypothesis 2), providing support for the first condition. In Step 2, it is inappropriate to test the relationship between two constructs at level 2 in HLM (Braun et al. 2013; Liao & Chuang 2007), because both the independent variable (i.e., BSTFL) and the dependent variable (i.e., initiative climate) are at the level 2 (i.e., team level). Thus, following same procedure used by Liao and Chuang (2007)

⁷ Step 3: the relationship between the mediators (i.e., psychological empowerment and perceived brand authenticity) and employee brand building behaviours are significant ($\gamma = 0.38$, $p < .01$, $\gamma = 0.20$, $p < .01$).

and Wang and Howell (2010), regular ordinary least squares (OLS) analysis is conducted to assess the effect of BSTFL on initiative climate at the team level. The results from the OLS regression show that BSTFL significantly predicts initiative climate at the team level ($\beta = .56, p < .01$; adjusted $R^2 = .32$), meeting the requirement of Step 2. In Step 3; initiative climate needs to be related to employee brand building behaviours⁸ and step 4; the BSTFL and the mediator (i.e., initiative climate) at the team level need to be related to dependent variable (i.e., employee brand building behaviours). This step is done by using HLM because the dependent variable (i.e., employee brand building behaviours) is at the individual level. As shown in Table 5.6, Model 10, initiative climate does not significantly predict employee brand building behaviours ($\gamma = 0.09, p > .10$); and therefore, hypothesis 5 is not supported.

The multilevel moderation processes (hypotheses 6, 7 and 8)

In hypothesis 6, it is proposed that initiative climate at the team level positively moderates the effect of BSTFL on employee brand building behaviours at the individual level. To test this hypothesis, the slope estimates for BSTFL obtained from Level 1 is regressed on initiative climate at Level 2 (Bryk and Raudenbush 1992). As shown in Table 5.6, Model 11, the results reveal that the moderation effect is significant ($\gamma = 0.18, p < .01$), providing support for hypothesis 6.

In hypothesis 7, it is predicted that the initiative climate positively moderates the effect of BSTFL on psychological empowerment and perceived brand authenticity at the individual level. Following the same analysis in testing hypothesis 6, the slope estimates for BSTFL obtained from Level 1 is regressed

⁸ Step 3: the relationship between initiative climate and employee brand building behaviours is significant ($\beta = 0.18, p < .01$; adjusted $R^2 = .27$).

on initiative climate at Level 2 (Bryk and Raudenbush 1992). As shown in Table 5.6, Model 6 and Model 3, the results reveal that the moderation effect is not significant ($\gamma = 0.09, p > .10, \gamma = -0.05, p > .10$); and therefore, hypothesis 7 is not supported.

Hypothesis 8a proposes that locomotion orientation positively moderates the relationship between BSTFL and perceived brand authenticity and psychological empowerment at the individual level. The results presented in Table 5.6 reveal that the positive moderation effects of locomotion orientation on the relationship between BSTFL and perceived brand authenticity and psychological empowerment at the individual level are not significant ($\gamma = -.00, p > .10$; Model 2) ($\gamma = -0.12, p > .10$; Model 5). Therefore, hypothesis 8a is not supported.

Further, hypothesis 8b proposes that assessment orientation negatively moderates the relationship between BSTFL and perceived brand authenticity and psychological empowerment at the individual level. As shown in Table 5.6, the results reveal that the negative moderation effects of assessment orientation on the relationship between BSTFL and perceived brand authenticity and psychological empowerment at the individual level are not significant ($\gamma = .00, p > .10$; Model 2), and on psychological empowerment ($\gamma = .00, p > .10$; Model 5). Therefore, hypothesis 8b is not supported.

Service brand performance (hypotheses 9)

In hypothesis 9, it is posited that employee brand building behaviours is positively related to service brand performance at the branch level. Employees brand building behaviours are aggregated to their corresponding branches (see Baumgarth and Schmidt 2010). To do so, regular ordinary least squares (OLS)

analysis is conducted to test this hypothesis because the independent variable (i.e., employee brand building behaviours) and service brand performance at level 2. The results reveal that employee brand building behaviours is positively related to service brand performance ($\beta = .30, p < .05$, adjusted $R^2 = .07$), providing support for hypothesis 9.

5.6 Summary of results

In light of the analyses undertaken above, a summary of the empirical findings related to each hypothesis is presented in Table 5.7. This summary shows that in total nine hypotheses were tested, with six supported.

Table 5.7 - Summary of hypotheses and empirical conclusions

Hypotheses	Path	Empirical conclusions
H ₁ BSTFL at the individual level is positively related to employee brand building behaviours.	IBSTFL → IE BBB	✓
H ₂ BSTFL at the team level is positively related to employee brand building behaviours.	TBSTFL → IE BBB	✓
H ₃ Psychological empowerment mediates the relationship between BSTFL and employee brand building behaviours at the individual level.	IBSTFL → PSYE → IE BBB	✓
H ₄ Perceived brand authenticity mediates the relationship between BSTFL and employee brand building behaviours at the individual level.	IBSTFL → PBA → IE BBB	✓
H ₅ Initiative climate mediates the relationship between BSTFL at the team level and employee brand building behaviours.	TBSTFL → INCL → IE BBB	×
H ₆ Initiative climate positively moderates the effect of BSTFL on employee brand building behaviours at the individual level.	IBSTFL × INCL → IE BBB	✓
H ₇ Initiative climate positively moderates the effect of BSTFL on psychological empowerment and perceived brand authenticity at the individual level.	IBTFL × INCL → PSYE IBSTFL × INCL → AUTH	×

Table 5.7 - Continued

Hypotheses	Path	Empirical conclusions
H _{8a} Locomotion orientation positively moderates the relationship between BSTFL and perceived brand authenticity and psychological empowerment at the individual level.	IBTFL × LOCO → AUTH IBTFL × LOCO → PSYE	×
H _{8b} Assessment orientation negatively moderates the relationship between BSTFL and perceived brand authenticity and psychological empowerment at the individual level.	IBTFL × ASSO → AUTH IBTFL × ASSO → PSYE	×
H ₉ Employee brand building behaviour is positively related to service brand performance at the branch level.	BEBBB → SBP	✓

Notes: ✓ = hypothesis supported; × = hypothesis not supported. IBSTFL = brand specific transformational leadership at the individual-level; TBSTFL = specific transformational leadership at the team level; PSYE = psychological empowerment; PBA = perceived brand authenticity, INCL = initiative climate; LOCO = locomotion orientation, ASSO = assessment orientation; IEBBB = individual-level employee brand building behaviours; TEBBB = Branch-level employee brand building behaviours.

5.7 Conclusion

In this chapter, in order to reduce random measurement error and mitigate the threat of common method bias, a multiple informant design was adopted. The multi informants, multilevel data set contains survey data from 259 frontline employees nested in 52 service branches (Level 1) as well as survey data from managers for these 52 service branches (Level 2). To account for these dependencies and to investigate multilevel relationships, hierarchical linear modelling (HLM) is applied (Raudenbush & Bryk 2002) in addition to SPSS.

Specifically, the data analysis procedure began with descriptive statistics of the sample and psychometric properties of the constructs. The results show that all psychometric properties of the constructs are good and acceptable. Following this, measure reliability and validity were examined. Overall, the results show that all values of the corresponding constructs satisfy the test of reliability and validity. To facilitate interpretation of the data analysis, the Level-1 predictors (i.e.,

BSTFL, psychological empowerment, perceived brand authenticity, locomotion orientation, and assessment orientation) were group-mean centered and the Level-2 predictors (i.e., BSTFL and initiative climate) were grand-mean centered. This lessens multicollinearity in Level-2 estimation by reducing the correlation between the Level-2 intercept and slope estimates (Hofmann & Gavin 1998).

Before testing the hypotheses, null models with no predictors were computed first. A summary of the empirical findings related to each hypothesis shows that six of nine hypotheses are supported in total. The results derived from the analyses undertaken in this chapter provide a fundamental backdrop upon which discussions and implications are drawn in the next chapter.

Chapter Six

Discussion and Conclusions

6.1 Introduction

Despite the fact that frontline employees play an integral role in building service brands, managers of service firms still face challenges about how to motivate employees to engage in brand building behaviours. Building and maintaining a strong service brand is important since it contributes to customers' positive evaluations of the service provided (Santos-Vijande et al. 2013; Zablah et al. 2010), decreasing perceived risks, and lowering search costs (Vomberg et al. 2015). To address the difficulty of building strong service brands and contribute to the development of theory focusing on service brand building and brand performance, the current study relied on leadership and proactive motivation theory and investigated how managers in service firms can motivate employee to engage in brand building behaviours and reward the service firm with higher levels of performance. Using survey data from managers and frontline employees of service branches, the central objective of this study was to develop and test a multilevel model of service brand building. Results reveal new insights and make important contributions to the nascent service branding literature.

6.2 Overview and background of the study

Service firms must motivate employee brand building behaviours to strengthen the brand image of their firms (Löhdorf & Diamantopoulos 2014; Morhart et al. 2009). Frontline employees who transform a firm's brand vision into brand reality through their brand building behaviours have been considered as brand champions,

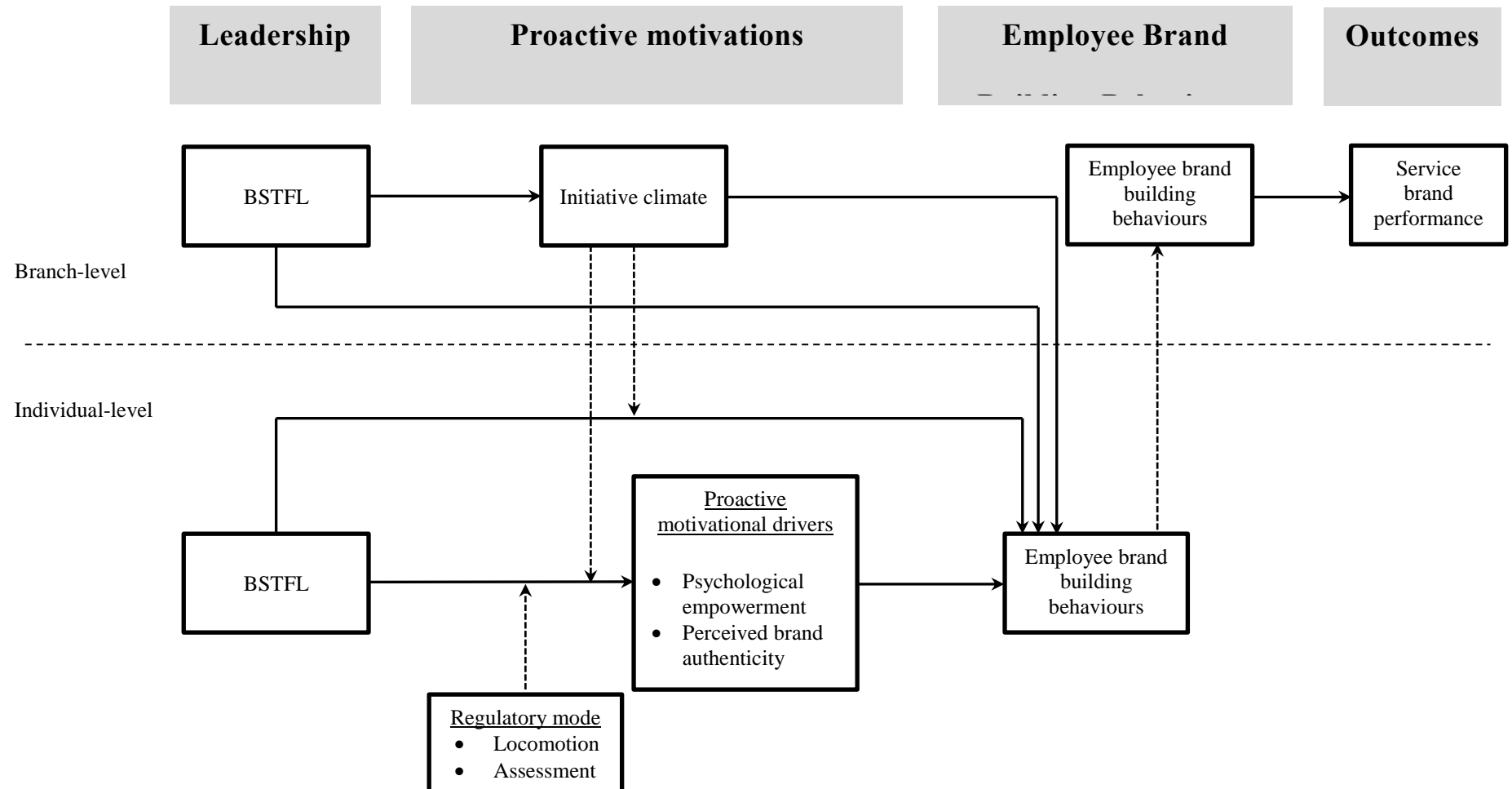
and brand builders (Auh et al. 2015; Miles & Mangold 2004; Morhart et al. 2009; Punjaisri et al. 2013). Unlike previous studies on service branding that focus on motivational drivers of employee brand building behaviours at the individual level (e.g., Baker et al. 2014; Löhndorf & Diamantopoulos 2014; Morhart et al. 2009; Punjaisri et al. 2013; Wallace et al. 2013), this study extend knowledge in this domain to both individual and the branch level. This study investigates the multilevel nature of building a service brand making specific contributions to address the four research gaps identified in Chapter One, Section 1.2.

Relying on leadership theory, the first gap is related to the role of brand specific transformational leadership (BSTFL) at both the individual and branch levels in motivating employee brand building behaviours (i.e., its direct effect). Very few studies have taken leadership to the branch level and explicated the various mediating processes that correspond or operate at the two levels. Further, using proactive motivation theory, the second gap is related to the motivational drivers of brand building behaviour. Specifically, the focus is on the “can do” and “reason to” motivations (i.e., psychological empowerment, perceived brand authenticity and initiative climate) to identify *how* BSTFL affects employee brand building behaviours at both the individual and branch levels (i.e., indirect effects). The third gap is related to the moderating effects of initiative climate and regulatory mode orientations to identify *when* BSTFL affects employee brand building behaviours (i.e., moderating effects). The fourth gap focuses on the extent to which employee brand building behaviours at the branch (i.e., team) level relate to service brand performance measured by growth in customer numbers, sales, profitability and overall performance.

In addressing these gaps, four general research questions were formulated in Chapter One, Section 1.2. These research questions underpin the interplay among the constructs embedded within the theoretical framework as presented in Figure 6.1.

The relationships between the constructs embedded within the theoretical framework are presented in Figure 6.1 and were analysed using HLM along with SPSS. Building on the findings from the analysis, the discussion here encompasses four main sections. Section 6.3 provides a discussion of the findings and results focusing specifically on the nature of the relationships between the constructs embedded within the theoretical framework and explaining why and how these result occurred. Section 6.4 draws attention to the theoretical contributions followed by managerial implications drawn from the findings of the study in Section 6.5. These sections are followed by a discussion of the strengths and limitations of the study, as well as suggestions for future research, presented in Section 6.6. The closing section provides the conclusion to the chapter and thesis in Section 6.7.

Figure 6.1 – A multilevel study of service brand building



6.3 Discussion of results and findings

Given the multilevel nature of the study, the theoretical framework presented in Figure 6.1, encompasses branch level constructs: BSTFL, initiative climate, employee brand building behaviours and service brand performance. It also includes individual level constructs: psychological empowerment, perceived brand authenticity, locomotion orientation, assessment orientation, and employee brand building behaviours. Sections 6.3.1 to 6.3.4 provide discussion of the results in detail to present a comprehensive appreciation of the findings in relation to the theoretical framework.

The first section (6.3.1) focuses on the effect of BSTFL at both the individual and branch levels on employee brand building behaviours addressing research question one (RQ1). The second section (6.3.2) focuses on the role of psychological empowerment and perceived brand authenticity at the individual level and initiative climate at the branch level on the relationship between BSTFL-employee brand building behaviours' addressing research question two (RQ2). The third section (6.3.3) focuses on the moderating effects of initiative climate and regulatory mode orientations in the BSTFL-employee brand building behaviours' relationship addressing research question three (RQ3). The last section (6.3.4) focuses on service brand performance as the outcomes of employee brand building behaviours addressing research question four (RQ4).

6.3.1 Discussion of Results for Research Question 1

Research question one (RQ1), asks to what extent does BSTFL influence employee brand building behaviours? RQ1 underpins the multilevel effects of BSTFL, and is further addressed via two sub research questions:

RQ1a. *To what extent does BSTFL at the individual level influence employee brand building behaviours?*

RQ1b. *To what extent does BSTFL at the team level influence employee brand building behaviours?*

These research questions, RQ1a and RQ1b are addressed through hypothesis H1 and hypothesis H2. The results of the analysis focusing on hypotheses H1 and H2 presented in Chapter Five show that BSTFL at both the individual and branch level is positively related to employee brand building behaviours. The results of hypotheses 1 and 2 contribute to the service marketing, and more specifically to the service branding literature and helps to clarify mixed findings in the previous studies. For example, MacKenzie et al. (2001), Netemeyer et al. (1997), and Morhart et al. (2009) did not find support for a direct effect of leadership on frontline employee behaviours. In addition, although Liao and Chuang (2007) are among the few who have examined transformational leadership at the individual and store levels, their study was not able to support the direct effect of transformational leadership at the store level and on employee service performance. These studies argue leaders cannot directly affect employees' behaviours and performance. This study, however, supports a direct and positive influence of BSTFL at both individual and branch levels on employee brand building behaviours. This study is also among the first to address leadership and brand building behaviours (see Morhart et al. (2009) with some exception) whereas previously most focus on generic behaviours and performance.

The mixed results found in prior research might be due to the nature of the samples, the context of the studies, and the level of customisation of the services studied. The sample of this study was service employees in financial services,

which provide more standard services. Therefore, employees mainly perform well-articulated tasks. As discussed in Chapter Two, while in their sample MacKenzie et al. (2001) and Netemeyer et al. (1997) use sales people and Morhart et al. (2009) use service employees in telecommunication in business to business. It seems these studies used more customised services, which requires more effort and based on proactive motivation theory other inducements may be needed to encourage employees to perform beyond expectations. Further, MacKenzie et al. (2001) and Netemeyer et al. (1997) used transformational leadership, while this study focuses on brand specific transformational leaders. Focusing on a specific type of leadership may narrow down the goals employees have to achieve. Therefore, employees need to understand where they have to direct their endeavours. As mentioned in previous chapters, BSTFL is a leader's approach to motivating his or her followers to act on behalf of the corporate brand by appealing to their values and personal convictions (Morhart et al. 2009). The study's measure and theory shows that brand specific transformational leaders are more effective in explaining employee brand building behaviours because they emphasise articulating brand vision and values and interpret them into desired brand building behaviours. They authentically live the brand values; act as role models and empower employees to understand their service brand's promise and its implications for individuals' work.

They also are able to communicate brand identity and establish personal pride in the service brand to grow into their roles as brand builders (see also Morhart et al. 2009; Vallaster and de Chernatony 2006; with regard to the role of leaders in internal marketing in general, see Wieseke et al. 2009). These findings further provide strong evidence that employee brand building behaviour is

influenced by BSTFL at both individual and branch levels. The important implication of these findings is that employee brand building behaviour can still be expected even if a frontline employee is not receptive to a brand specific leader's behaviours, if he or she is part of a team/branch that is receptive to the brand specific transformational leader's behaviours.

6.3.2 Discussion of Results for Research Question 2

Research question two (RQ2), asks to what extent do proactive motivational drivers across multiple levels explain the relationship between BSTFL and employee brand building behaviours? RQ2 underpins the mediating processes BSTFL and specific outcomes at two levels (individual and branch), and is further addressed via three sub research questions:

RQ2a. *To what extent does perceived brand authenticity mediate the relationship between BSTFL and employee brand building behaviours at the individual level?*

RQ2b. *To what extent does psychological empowerment mediate the relationship between BSTFL and employee brand building behaviours at the individual level?*

RQ2c. *To what extent does initiative climate mediate the relationship between BSTFL at the team level and employee brand building behaviours?*

These research questions, RQ2a and RQ2b are addressed through hypothesis 3 and research question RQ2c is addressed through hypothesis 4. Building on proactive motivation theory (Parker et al. 2010), this study proposed that perceived brand authenticity represents a reason to, and psychological empowerment as can do motivations at the individual level and initiative climate

as reason to motivation at the branch level. It also proposes that these motivations mediate the relationship between BSTFL and employee brand building behaviours. As expected, the results of the analysis focusing on hypothesis H3 presented in Chapter Five show that both perceived brand authenticity and psychological empowerment mediate the relationship between BSTFL and frontline service employees brand building behaviours at the individual level.

The results of hypothesis H3 contribute to the service marketing in general and to service branding specifically by demonstrating that perceived brand authenticity and psychological empowerment partially mediate the relationship between BSTFL at the individual level and employee brand building behaviours. Interestingly, while brand building behaviours has been the focus of researchers from early 2000, no study to the best of the researcher's knowledge has investigated the role of perceived brand authenticity and psychological empowerment on directing employee brand building behaviours. Moreover, these two important dimensions of "reason to" in proactive motivation theory can explain the complex relationship between leadership style and employees' behaviours and what managers may consider while leading their followers to build strong brand.

This study adopted the view that employee perceptions of authenticity refers to an employee perception that a brand genuinely embodies the values it stands for in its positioning (Baker et al. 2014). The mediating role of perceived brand authenticity implies that when leaders execute BSTFL, frontline employees will have voluntary" or "soft" reasons that help to explain why employees would embrace the brand and engage in brand building behaviours. Whilst the mediating role of psychological empowerment suggests that when leaders execute BSTFL,

frontline employees will perform more brand building behaviours because their ability and active orientation toward work carries over into how service is delivered and how customers are treated. Psychological empowerment was taken in this study to refer to a motivational construct manifested in four cognitions: meaning, competence, self-determination, and impact (Spreitzer 1995).

Accordingly, this study shows that employee perceptions of brand authenticity and psychological empowerment need to be included in models. Previously, the marketing literature has failed to do this, and has been unable to obtain a full and accurate picture of the relationship between BSTFL at the individual level and employee brand building behaviours.

Although Baker et al. (2014) were the first to incorporate employee perceptions of brand authenticity to examine its impact on employee's brand oriented behaviours, they did not account for the role of leaders. In addition, Baker et al. (2014) measured employee branding behaviours in terms of brand citizenship behaviours and service ability. Although citizenship behaviours and service ability may have an overlap with employee brand building behaviours adopted in this study, they used different types of in-role and extra-role brand building behaviours. For example, this study views extra-role brand building behaviours in a more comprehensive fashion including participation and advocacy, while Baker et al. (2014) had a more restricted view of brand citizenship behaviours. The measure of in-role brand building behaviour also taps others dimension of in-role behaviours, while Baker et al. (2014) focus on the employees' ability to deliver the service.

Further, there have been calls for including psychological empowerment as a mediator between leadership and employee behaviours (Maynard et al. 2012).

Auh et al. (2014) state *“In the marketing literature, psychological empowerment has been an overlooked construct in studies that have examined the role of empowerment in the service context”* (p. 564). Specifically, very little research in service marketing has attempted to investigate psychological empowerment in the relationship between leadership and employee behaviours with the majority focusing on empowering leadership. For example, Raub and Robert (2010) examined the role of psychological empowerment in the relationship between empowering leadership behaviours and extra-role behaviour. Similarly, Auh et al. (2014) examined the mediating role of psychological empowerment in the relationship between empowering leadership at the individual level and service citizenship behaviours.

Given the nature of service-oriented citizenship behaviours as extra-role behaviours, Auh et al. (2014) acknowledge that *“It is unclear whether psychological empowerment would have played an equally significant role had we investigated in-role performance”* (p. 575). Although empowering leadership and BSTFL can be distinguished, empowerment by the leader is often attributed to transformational leadership in organisations (Kark et al. 2003). However, knowledge about the role of psychological empowerment in the relationship between BSTFL at the individual level and employee brand building behaviours has so far been limited. The findings of this study address this gap in the literature and paint a more detailed picture of how BSTFL at the individual level influences employee brand building behaviours.

Moving to the branch level, the findings of hypothesis 4 do not support the mediation role of initiative climate in the relationship between BSTFL at the branch level and employee brand building behaviour. Previous studies in service

marketing have reported inconclusive results about the mediation effect of organisational climate (e.g., Liao & Chuang 2007; Auh et al. 2014). The reason for the inconclusive results may be due to measuring different aspects of climate in the organisation (e.g., learning climate). For example, Liao and Chuang (2007) did not find support for the mediation effect of service climate. However, they focus on service climate in the relationship between transformational leadership at the store level and employee service performance. They found transformational leadership at the store level influences service climate, but service climate did not influence service performance, meaning the condition for mediating relationship was not met. However, Auh et al. (2014) examine a very specific aspect of climate focusing on customer learning climate on service-oriented citizenship behaviours and found a strong mediation effect. These studies support the rationale that specific types of leadership are more or less effective when a specific type of climate is dominant in the service firm.

Regardless of the differences between these studies, they have some similarities and alignment with this study in general. For example, Liao and Chuang (2007) and Auh et al. (2014) attempted to explore different mediating mechanisms at different levels of analysis in the relationship between leadership and employee behaviours. However, their studies did not examine (a) BSTFL and employee brand building behaviours, (b) did not focus on different mediators at the individual level, or (c) examine the role of initiative climate. Liao and Chuang (2007) focused on service climate which refers specifically to the shared experience of employees towards internal functioning of the organisation on attaining high service quality. Whereas, Auh et al. (2014) focus on customer

learning climate which refers to the shared perception that obtaining ideas, insights, and feedback about customers' service needs is important.

This study, however, focuses on initiative climate to address specifically the proactive implementation of work behaviours in general. The findings of recent research by Hong et al. (2016) indicate that department-level empowering leadership was positively related to initiative climate and ultimately employee initiative behaviour only when initiative-enhancing HRM systems were low. However, a brand specific transformational leader in a branch is more likely than others to command attention from employees and become the target of observational learning for employees. As a role model and when authentically "living" the brand values and empowering, a brand specific transformational leader sets examples of taking independent actions and coaches employees to interpret their service brand's promise and its implications for work on their own. By observing these exemplary behaviours of the leader and learning how to be more proactive, employees form perceptions of the importance of taking initiative (initiative climate) to grow into their roles as brand builders. The finding of this study related to hypothesis 4 suggests that BSTFL at the branch level influences initiative climate, which in turn sends very specific signals to frontline service employees in branches that this perception provides the necessary reason to motivation for employees to engage in brand building behaviours. However, given that the conditions for mediation relationship did not exist here, it appears that the initiative climate does not foster employee brand building behaviour when BSTFL exists. Therefore, it is possible that other types of climate may be necessary to transfer the effect of leadership to employee brand building behaviours at the branch level.

6.3.3 Discussion of Results for Research Question 3

Research question three (RQ3), asks to what extent do contextual and individual boundary conditions across multiple levels moderate the relationship between BSTFL and employee brand building behaviours? Research question three underpins the multilevel moderating effects of initiative climate and regulatory mode orientations on the relationships between BSTFL and employee brand building behaviours at the individual level, and is further addressed via four sub research questions:

RQ3a. *To what extent does initiative climate moderate the effect of BSTFL on employee brand building behaviours across individual level?*

RQ3b. *To what extent does initiative climate moderate the effect of BSTFL on perceived brand authenticity and psychological empowerment across individual level?*

RQ3c. *To what extent does locomotion orientation moderate the effect of BSTFL on perceived brand authenticity and psychological empowerment across individual level?*

RQ3d. *To what extent does assessment orientation moderate the effect of BSTFL on perceived brand authenticity and psychological empowerment across individual level?*

The sub research questions, RQ3a and RQ3b are answered through hypothesis H5 and hypothesis H6 respectively. Further, the sub research questions RQ3c and RQ3d are answered through hypotheses H7a and H7b. The results focusing on hypothesis 5 presented in Chapter Five show initiative climate moderates the effect of BSTFL on employee brand building behaviours at the individual level. The findings of hypothesis 5 are consistent with Liao and

Chuang (2007), who showed support for the cross level moderation of service climate on the relationship between transformational leadership and employee service performance at the individual level. However, the findings here represent an important extension of the neglected link between BSTFL, initiative climate and employee brand building behaviours in the existing literature. Theoretically, this is a valuable contribution because it shows that as a “reason to motivation” at the branch level - initiative climate intensifies the effect of BSTFL on employee brand building behaviour at the individual level ,which no other study in service branding has established. This finding further shows that initiative climate may play different roles in service contexts. More specifically, initiative climate is not a tool that leaders use to transfer the effect of leadership to employees, but it enhances the effect of their leadership, acting as a contingency.

Further, hypothesis 6 focuses on the moderating effects of initiative climate and states that initiative climate moderates the relationship between BSTFL and perceived brand authenticity and psychological empowerment. The findings of hypothesis 6 show that the moderating effects of initiative climate on the BSTFL- perceived brand authenticity and psychological empowerment relationships are not significant. This is contrary, Liao and Chuang (2007) who found support for the moderating effects of service climate on the relationship between transformational leadership and employee self-efficacy (self-efficacy is a part of psychological empowerment). However, the inconsistent finding here with that of Liao and Chuang can be explained as follows. First, the focus of this study was on initiative climate which is different to service climate, and second, Liao and Chuang (2007) tested a “mediated - moderation” model where service climate moderates the mediated relationship (through self-efficacy) between

transformational leadership at the individual level and employee service performance. However, consistent with this study, Liao and Chuang (2007) did not find support for the mediated moderation effect where service climate moderates the mediated relationship between transformational leadership at the individual level and employee service performance when effective commitment and job satisfaction were considered as mediators.

Last but not least, hypotheses H7a and H7b focus on the moderating effects of individual characteristics (locomotion and assessment orientations). Hypothesis H7a focuses on the moderating role of locomotion orientation on the relationship between BSTFL at the individual level and 1) perceived brand authenticity, and 2) psychological empowerment. Although scholars in service marketing have turned their attention to locomotion and assessment orientations, few studies have examined their moderating roles in relation to BSTFL in service branding. For example, Jasmand et al. (2012) found locomotion orientation facilitates and interacts positively with an assessment orientation in the context of ambidextrous behaviour at the employee level in a national branch of a global call centre provider. Interestingly, Sok et al. (2015) refer to locomotion and assessment orientations of self-regulation as a can do motivation. Their findings reveal a positive three way interactions between “reason to” motivations and “can do” motivations (locomotion and assessment orientations) on ambidextrous behaviour. However, as mentioned in Chapter Two, Benjamin and Flynn (2005) have focused on the role of locomotion and assessment orientations in the process of transformational leadership. Their findings show that transformational leadership was more effective in increasing motivation and eliciting positive

evaluations from people with more of a locomotion orientation, than people with more of an assessment orientation.

The findings related to hypothesis H7a show that the moderating effects of locomotion orientation on the relationship between BSTFL and 1) perceived brand authenticity and 2) psychological empowerment relationships are not significant. Similarly, Hypothesis H7b focuses on the moderating role of assessment orientation on the relationship between BSTFL at the individual level and 1) perceived brand authenticity, and 2) psychological empowerment. The findings related to hypothesis H7a show that the moderating effects of assessment orientation on the relationship between BSTFL and 1) perceived brand authenticity and 2) psychological empowerment relationships are not significant.

Taken together, the findings of hypothesis 7 do not support the moderating effects of locomotion and assessment orientations on the relationship between BSTFL and perceived brand authenticity and psychological empowerment. These findings show that the effect of the fit between these orientations does not amplify or undermine the relationship between BSTFL and perceived brand authenticity as well as psychological empowerment. A possible explanation for this is that the fit is about similarity, whereas subsequently psychological empowerment is about becoming independent from the leader to some extent. Therefore, it is possible that when employees are psychologically empowered, their individual characteristics can assist them to act more favourably in the service delivery process because they are becoming less relying on their leaders. Further, the inclusion of the group into the cognitive scheme or, in other words, the cognitive association between self and perceived brand authenticity, is not affected by regulatory mode orientations as individual characteristics.

6.3.4 Discussion of Results for Research Question 4

Research question four (RQ4), asks to what extent does employee brand building behaviours influence service brand performance? This research question (RQ4) underpins the branch level outcomes of employee brand building behaviours. Research question RQ4 is answered through hypothesis H8. Service brand performance was measured in terms of the branch's growth in customer numbers, branch sales, branch profitability and the branch's overall performance. The results reveal that employee brand building behaviours are positively related to service brand performance at the branch level. The findings related to hypothesis H8 show employee brand building behaviours are positively related to service brand performance at the branch level. These findings are important and expand the literature on services marketing and service branding in particular.

This study investigates the relationship between employee brand building behaviours and service brand performance at the branch level which no study has done. For example, prior research in B2B has focused only on service brand performance in terms of external brand equity (Baumgarth & Schmidt 2010). Baumgarth and Schmidt (2010) found internal brand equity (in-role and extra-role brand building behaviours) to be positively associated with service performance in terms of external brand equity. Although in Baumgarth and Schmidt's (2010) study a different measure of service brand performance was applied, the findings related to hypothesis H8 broaden existing knowledge on the importance of employee brand building behaviours in achieving higher levels of service brand performance. Employee brand building behaviours do increase the number of customers, increase sales, improve profit and foster overall branch performance..

6.4 Theoretical contributions

The findings of this study reveal complex insights which suggest a number of theoretical contributions to the nascent service branding literature and managerial implications for managers of service firms merit acknowledgement and discussion. Despite the obvious importance of employees for building strong service brands, little empirical work has addressed how service firms can motivate them to engage in brand building behaviours. The primary aim was to examine how service firms motivate employee brand building behaviour to achieve higher level of service brand performance. The findings of this study make significant contributions to the literature on service marketing in general and service branding in particular in several respects.

First, this study is the first to develop and examine a multilevel framework in service branding on how to motivate employee brand building behaviours, which presents a central challenge for service firms. Contrary to existing studies, the focus of this study was on integrating knowledge from a wide range of literature focusing on BSTFL, initiative climate, perceived brand authenticity, psychological empowerment and self-regulatory mode orientations. Second, previous research shows that can do and reason to of proactive motivation predict various desirable employee behaviours, such as employee proactive customer service performance (Raub & Liao 2012), customer service ambidextrous behaviour (Sok et al. 2015) and personal initiative (Hong et al. 2016). This study is the first to extend current knowledge on proactive motivation by highlighting its relevance in the context of employee brand building behaviours. Third, this study constitutes a first step in bringing BSTFL, proactive motivation theory and organisational climate together and extends both areas through displaying their

value for employees' response to employee branding efforts. Previous research has focused only on organisational climate in the relationship between transformational leadership at CEO level and employee brand building behaviours restricted to the hospitality industry (Uen et al. 2012). However, Uen et al. (2012) used employees' branding behaviour and adopted a different measure to assess employee brand building behaviours. In sum, the findings of this study offer strong support for the proposed mechanisms, thus highlighting the relevance of BSTFL, proactive motivation as well as initiative climate for motivating employee brand building behaviour. Fourth, prior research in the service branding domain suggests that firms with effective employee branding may achieve superiority in brand performance (Baumgarth & Schmidt 2010; Santos-Vijande et al. 2013). This suggestion has yet to be qualified. For example, in the knowledge-intensive business services, Santos-Vijande et al. (2013) found that brand management systems (i.e., brand orientation, internal branding and strategic brand management) have an indirect influence on business performance through customer performance. However, Santos-Vijande et al. (2013) did not focus on service branches or employee brand building behaviour as a key link between employee branding and customers. However, this study provides this qualification and contributes to the literature by providing strong evidence that BSTFL, initiative climate, perceived brand authenticity, and psychological empowerment jointly affect employee brand building behaviours, which in turn, help a firm achieve superior service brand performance. Accordingly, this thesis extends the growing, but still limited body of work on the link between employee branding behaviours and service brand performance. All in all, this study unlocks the mechanism of not only how, but also when leadership affects employee brand

building behaviours, which the marketing literature to-date has failed to show (Auh et al. 2014). This contribution helps to obtain a full and accurate picture of the relationship between leadership and employee brand building behaviours and what performance effects such behaviours provide to service firms. Specifically, brand specific transformational leaders may convince frontline employees to transcend self-interest for the vision of the firm when they perceive support by way of more autonomy and discretion. Accordingly, by drawing on psychological empowerment, perceived brand authenticity and initiative climate, this study contributes to the services marketing literature by demonstrating that these proactive motivations can make a difference in frontline employees' brand building behaviours.

6.5 Managerial implications

The results of this study offer a number of implications for service firms in general and managers in service branch managers focusing on building a strong service brand. These services can include professional services such as legal and medical services. These services feature high credence qualities, high degrees of customer contact and customisation, and high interdependence between customers and service providers for co-creating favourable outcomes (Chan et al. 2010; Auh et al. 2007; Lovelock 1983; Sharma and Patterson 2000). When building a strong service brand is the underlying objective of employee brand building behaviours, BSTFL is a leadership style that can make a difference. BSTFL is a key driving force for motivating and empowering frontline employees to engage in brand building behaviours. The empowerment of followers is often presented as one of the main features that distinguish transformational leadership from other

leadership styles such as transactional leadership, which does not seek to empower the followers but merely to influence their behaviour (Kark et al. 2003). By adopting BSTFL, managers encourage employees to make independent decisions regarding the various challenges they face and to make their work more personally meaningful (Zhang & Bartol 2010). Further, because BSTFL includes empowering behaviours such as delegation of responsibility to followers, enhancing followers' capacity to think on their own, and encouraging them to come up with new and creative ideas (Dvir et. al. 2002), employees will be empowered to act as brand ambassadors. In addition, managers should be mindful of not only an individual frontline employee's perception of the brand specific transformational leader, but also the branch's (team members) perception of that leader. That is, this study also submits that if there still a lack of engagement in employee brand building behaviours, brand specific transformational leaders can still form an initiative climate in the branch to support an employee "reason to" motivation grow into his or her roles as a brand builder. For example, in the dynamic business environment nowadays, there are often unforeseen changes in task demands along with unexpected situations that require employees' self-directed actions (Hong et al. 2015). As a result, it is unlikely that service managers will elicit desired employee responses through formal control. Therefore, through brand-specific adaptation of idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration, managers can form a shared perception of an initiative climate that signals to employees to take personal initiative as brand builders. This shared perception of initiative climate guides employees to show brand building behaviours toward achieving higher levels of service brand performance. Therefore, managers in service firms

and especially in branches should adopt this style of leadership when trying to motivate employees brand building behaviour. This is also important because managers in branches are authentically living the brand values.

Further, if internal culture or communication deviates from external marketing communications, employees might suspect the promoted brand image is a lie and does not genuinely embody the values it says it stands for in its positioning (Löhdorf & Diamantopoulos 2014). Accordingly, employees will lose their desire or reasons to engage in brand building behaviours because they will feel that they are the victims of that lie. Therefore, service employees need to perceive their service brand as authentic to be brand builders and exhibit brand oriented behaviours. This study provides strong evidence that managers adopting BSTFL in branches can play an important role in enhancing employee's perceptions of brand authenticity which in turn enhances employee brand building behaviours.

In addition, the findings of this study strongly suggest that psychological empowerment plays a critical role in linking BSTFL to employee brand building behaviour. The mediating role of psychological empowerment implies that when leaders execute BSTFL's behaviours, frontline employees will be more knowledgeable and empowered to engage in brand building behaviour because their ability or "can do" toward work carries over into how they grow into their roles as brand builders. Therefore, brand specific transformational leaders can empower employees to understand their service brand's promise and its implications for their work, how to communicate brand identity and establish personal pride in their service brand, and motivate them to grow into their roles as brand builders (Morhart et al. 2009; Vallaster & de Chernatony 2006; Wieseke et

al. 2009). This suggests to managers in branches where BSTFL is implemented, need to monitor the level of can do and reason to motivations of frontline employees in order to manage employee brand building behaviours effectively.

Interestingly, the field experiment by Morhart et al. (2009) shows that managers can learn to be brand specific transformational leaders through management training. Therefore, service firms need to provide training and education to branch managers. In doing so, they can use internal communication and an open discussion with the branch managers about those specific behaviours required to enact BSTFL and engage in training to act as role models. This could include, using branding books and storytelling, to show the branch managers how to direct and guide employee's behaviours to be brand builders.

Finally, in order to ensure that managers behave as brand specific transformational leaders and that frontline employees respond effectively to it, they need to measure the outcomes suggested by this study. This study provides managers in branches with a measure of service brand performance. Service brand performance can be regarded as a diagnostic tool to evaluate whether the branch is in a situation to support the development of a strong service brand. Therefore, managers can monitor their service brand strength by assessing number of customer, sales, profit and overall service brand performance. Further, managers can also monitor in-role brand building behaviours, participation and advocacy of frontline employees to ensure that employee behaviours are consistent with service brand values and do not undermine the credibility of advertised messages. If employee brand building behaviours are inconsistent with service brand values, managers also can evaluate both psychological empowerment and perceived brand authenticity of their employees to ensure that employees have both can do

and reason to motivations to be brand builders. In addition, if employees are not empowered and do not perceive their service brand as authentic one, managers should evaluate their leadership behaviours through assessing BSTFL at both branch and individual levels.

6.6 Strengths, limitations and future research

In addition to its theoretical extensions and implications, this research has several strengths. One of the methodological strengths of this study is that service brand performance was collected from branch supervisors. Other constructs were assessed as individual perceptions with employees' self-completed survey within one time period. Some scholars suggest that self-reported measures have strengths as assessments of employee performance (Boukis et al. 2014). However, BSTFL and initiative climate as well as employee brand building behaviours data were aggregated to the branch level to be supported by using HLM, which as a tool for data analysis is strength. HLM effectively accounts for the hierarchical nature of the data suggesting that a lack of independence is not a problem (Liao & Chuang 2007). By assessing the service brand performance, this study adds a significant contribution to the literature on service brand building. Prior research in service branding has focused on the antecedents of employee brand building behaviours (Morhart et al. 2009, Boukis et al. 2014). Therefore, the study and its findings explain how frontline employees may help position service brands by increasing service brand performance in marketplace. To-date few studies have addressed the key issues of the effect of brand building behaviours on how a unit (team, department or branch) performs. This study by addressing the performance issues takes the theory and empirical research beyond the current domain focusing on

drivers of brand building behaviour. The study also empirically assessed multiples branches across a number of service firms, adding to the strength and validity of the findings.

As with all studies of this type, the findings should be considered in light of several limitations. First, the sample was set within the context of financial services. This limits the generalisability of the results to other service contexts such as professional services (e.g., consulting, healthcare). Second, this study examined BSTFL as a global construct. However, *“a major challenge for multilevel leadership research is the suitable assessment of leadership and related constructs ... at multiple levels”* (Braun et al. 2013, p. 280). The Multifactor Leadership Questionnaire (MLQ) does not clearly separate leader behaviours at individual levels and branch levels because of its item structure (Schriesheim et al. 2009). It is worthwhile therefore for future multilevel BSTFL to develop scales that separate brand specific leader behaviour directed toward either individual employees or the branch. An initial step into this direction has been made by Wang and Howell (2010). Further studies on development and validation of BSTFL measurement at individual and branch levels are clearly necessary.

Third, the theoretical framework drawn from proactive motivation theory and focuses on the mediating mechanism of reason to and can do motivations in terms of perceived brand authenticity and psychological empowerment at the individual level and initiative climate as reason to at the branch level on their level of brand building behaviours. However, there could be other important mediators that the study framework did not capture. For example, Sok et al. (2015) adopt enjoyment of work and driven to work as reason to motivation.

Fourth, this study focuses only on initiative climate, Kuenzi and Schminke (2009) argue “*exploring single climates in isolation is unlikely to be the most productive path to creating a full and accurate understanding of how work climates will affect individual and collective outcomes within organizations.*” (P. 706). Unfortunately, this study was not able to differentiate between two kinds of climate. Therefore, this study highlights this limitation as an area for future research.

Fifth, this study focuses on regulatory mode orientations (locomotion and assessment orientations) and argues that the “fit” between these orientations and BSTFL may lead to increase employee motivations to be engaged in brand building behaviours. However, this fit was not significant. There still an avenue for future research to adopt another kind of fit such as employee-organisation fit, employee-supervisor fit, employee-group fit and employee-job fit that have been found effective in motivating employee brand building behaviours (Boukis et al. 2014). Finally, collecting two data sources helped to attenuate same source biases and parameter inflation, but it would be insightful for future research to incorporate a longitudinal study that may reinforce, extend, or potentially challenge the findings with objective service brand performance and or customer evaluation of the service brand performance.

6.7 Conclusion

It is sufficient to conclude that employee brand building behaviours and corresponding service brand performance can be obtained through cultivating employees’ proactive motivational drivers through BSTFL, which contribute significantly to foster the service brand. This thesis is the first to develop and test

a multilevel study of service brand building. The findings and their discussion offer significant contributions to the service brand marketing. This thesis also provides managers in service branches with valuable insights on how to kill two birds with one stone. That is, managers can overcome the challenge of creating and maintaining employee brand building behaviour and build a strong service brand through adopting BSTFL. However, the literature on building a strong service brand is wide and what this thesis provided is an initial, yet major step in directing this literature in new and important ways. The outcomes of this thesis help scholars to focus on multilevel theory in service branding as this point is neglected. Finally, the discussions here show that there is still much more on building service brand to be explored and greater clarity and knowledge to be developed.

Appendix I

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MANAGER INFORMATION SHEET

Dear Manager;

[Service firm's name] is participating in a research project on services with the Tasmanian School of Business & Economics. We realise you are very busy, but ask for about 20 minutes of your time.

Please do not rush, your experience and knowledge are very important and your accurate responses ensure your time is well served. Your responses are completely confidential. We guarantee your responses will **NOT** be identified.

Note: There is no right or wrong answer/response, please respond accurately and honestly based on your own knowledge and experiences to ensure your time is well served.

Please follow these instructions:

1. **Read all instructions** in the survey and respond to **ALL** items.
2. To provide your response, please circle the number that best reflects your view or fill in the answer requested.
3. **Do not** circle more than **ONE** response per statement or question.
4. **Do not** discuss the survey or your responses with others, this ensures your confidentiality.
5. When completing this survey, please focus on *[Service firm's name]* as the **SERVICE BRAND**.
6. **Remove** this information sheet from the survey.
7. **Place** your survey in the envelope supplied by us, **seal** it and **post** it to us.

Thank you for your time and cooperation!

Appendix III



The following statement focuses on your knowledge of your firm. Please circle the number below that best reflects your level of knowledge.

I am knowledgeable about...		Somewhat							Very Much so
M1	my firm's business operations, strategies, characteristics, business processes, business environment (competitors, regulations, and the like) and performance.	1	2	3	4	5	6	7	

Relative to the objectives set by head office, ...		Was/Were far below objectives			Met objectives		Was/Were far above objectives	
		1	2	3	4	5	6	7
PERF1	this branch's growth in customer numbers over the last year...							
PERF2	this branch's sales over the last year ...							
PERF3	this branch's profitability over the last year...							
PERF4	this branch's overall performance over the last year...							

In relation to the questions you answered above, think about your confidence in answering them. Circle the response that best reflects your level of confidence.

I am confident...		Not at all					Very Much so	
MGQ1	I had the necessary knowledge to answer the questions and statements asked throughout this survey.	1	2	3	4	5	6	7

The following questions ask for general information about YOU. Please fill in or check the most appropriate answer.

MP	My designated title is _____.				
MPY	I have been working in this position for _____ years.				
MSY	I have been working in this service sector industry for _____ years.				
MFY	I have been working for this service firm for _____ years.				
MAGE	My age (in years) is:	<input type="checkbox"/> Under 30	<input type="checkbox"/> 30 – 34	<input type="checkbox"/> 35 – 39	<input type="checkbox"/> 40 – 44
		<input type="checkbox"/> 45 – 49	<input type="checkbox"/> 50 – 54	<input type="checkbox"/> 55 – 59	<input type="checkbox"/> Over 60
MGEN	My gender is:	<input type="checkbox"/> Male	<input type="checkbox"/> Female		

MEDU	My highest educational qualification is:	<input type="checkbox"/> High school certificate	<input type="checkbox"/> Undergraduate degree
		<input type="checkbox"/> Postgraduate degree	<input type="checkbox"/> Other (please specify) _____.
MDEG	If you checked a box indicating a degree above, please indicate the area of study in your degree: _____.		

Thank you for your time and cooperation!



EMPLOYEE INFORMATION SHEET

Dear Employee;

[Service firm's name] is participating in a research project on services with the Tasmanian School of Business & Economics. We realise you are very busy, but ask for about 20 minutes of your time.

Please do not rush, your experience and knowledge are very important and your accurate responses ensure your time is well served. Your responses are completely confidential. We guarantee your responses will **NOT** be identified.

Note: There is no right or wrong answer/response, please respond accurately and honestly based on your own knowledge and experiences to ensure your time is well served.

Please follow these instructions:

8. **Read all instructions** in the survey and respond to **ALL** items.
9. To provide your response, please circle the number that best reflects your view or fill in the answer requested.
10. **Do not** circle more than **ONE** response per statement or question.
11. **Do not** discuss the survey or your responses with others, this ensures your confidentiality.
12. When completing this survey, please focus on [Service firm's name] as the **SERVICE BRAND**.
13. **Remove** this information sheet from the survey.
14. **Place** your survey in the envelope supplied by us, **seal** it and **post** it to us.

Thank you for your time and cooperation!

Appendix V



EMPLOYEE SURVEY

The following statement refers to your knowledge of your firm. Please circle the number below that best reflects your level of knowledge.

I am knowledgeable about...		Somewhat					Very Much so	
MIE1	my branch's business operations, business processes, and business environment (competitors, regulations etc) and performance.	1	2	3	4	5	6	7

The following statements are about the manager you directly report to in your branch.

My manager...		Not at all					Frequently, if not always	
		1	2	3	4	5	6	7
TFBL1	gets me to look at my job in terms of a branding task.							
TFBL2	suggests a brand promoter's perspective of looking at how to complete assignments (e.g., work & serving customers).							
TFBL3	talks enthusiastically about what needs to be accomplished to strengthen our service brand.							
TFBL4	articulates a compelling vision for our service brand.							
TFBL5	instils pride in me for being associated with our service brand.							
TFBL6	lives our service brand in ways that build my respect.							
TFBL7	specifies the importance of having a strong sense of our service brand.							
TFBL8	spends time teaching and coaching me in brand-related issues.							
TFBL9	emphasises the importance of having a collective sense of our service brand mission.							
TFBL10	helps me to develop my strengths with regard to becoming a good representative of our service brand.							

Please circle the number below that best reflects your views about your service brand.

Our service brand...		Strongly Disagree					Strongly Agree	
		1	2	3	4	5	6	7
BA1	genuinely embodies its image.							
BA2	has integrity.							

Our service brand...		Strongly Disagree					Strongly Agree	
BA3	is not fake or unauthentic.	1	2	3	4	5	6	7
BA4	exists (operates) in accordance with its values and beliefs.	1	2	3	4	5	6	7

The following statements are about your own approach to your work, your behaviour and feelings.

In general, I would say...		Strongly Disagree					Strongly Agree	
PSY1	the work I do is very important to me.	1	2	3	4	5	6	7
PSY2	the work I do is meaningful to me.	1	2	3	4	5	6	7
PSY3	I am confident about my ability to do my job.	1	2	3	4	5	6	7
PSY4	I am self-assured about my capabilities to perform my work.	1	2	3	4	5	6	7
PSY5	I have significant autonomy in determining how I do my job.	1	2	3	4	5	6	7
PSY6	I can decide on my own how to go about doing my work.	1	2	3	4	5	6	7
PSY7	I have a great deal of control over what happens in my branch.	1	2	3	4	5	6	7
PSY8	I have a significant influence over what happens in my branch.	1	2	3	4	5	6	7
LOC1	I don't mind doing things even if they involve extra effort.	1	2	3	4	5	6	7
LOC2	I am a workaholic.	1	2	3	4	5	6	7
LOC3	I enjoy actively doing things, more than just watching and observing.	1	2	3	4	5	6	7
LOC4	I am a doer (i.e., a dynamo or active person).	1	2	3	4	5	6	7
LOC5	when I decide to do something, I can't wait to get started.	1	2	3	4	5	6	7
LOC6	by the time I accomplish a task, I already have the next one in mind.	1	2	3	4	5	6	7
LOC7	most of the time my thoughts are occupied with the task I wish to accomplish.	1	2	3	4	5	6	7
LOC8	when I get started on something, I usually persevere (i.e., persist) until I finish it.	1	2	3	4	5	6	7
ASS1	I spend a great deal of time, taking inventory of my positive and negative characteristics.	1	2	3	4	5	6	7
ASS2	I like evaluating other people's plans and behaviours.	1	2	3	4	5	6	7
ASS3	I often compare myself with other people.	1	2	3	4	5	6	7
ASS4	I often critique work done by myself and others.	1	2	3	4	5	6	7
ASS5	I often feel that I am being evaluated by others.	1	2	3	4	5	6	7
ASS6	I am a critical person.	1	2	3	4	5	6	7
ASS7	I am very self-critical and self-conscious about what I am saying.	1	2	3	4	5	6	7
ASS8	when I meet new people I usually evaluate them on various dimensions (e.g., looks, achievements, social status, clothes).	1	2	3	4	5	6	7

In general, I would say...		Strongly Disagree					Strongly Agree	
EBB1	I pay attention that my personal appearance is in line with our service brand's appearance.	1	2	3	4	5	6	7
EBB2	I ensure my actions are not at odds with our standards for brand-adequate behaviour.	1	2	3	4	5	6	7
EBB3	I adhere to our standards for brand-congruent (i.e., consistent) behaviour.	1	2	3	4	5	6	7
EBB4	I encourage co-workers to contribute ideas and suggestions for our service brand improvements.	1	2	3	4	5	6	7
EBB5	I contribute many ideas for customer promotions and communications about our service brand.	1	2	3	4	5	6	7
EBB6	I make constructive suggestions for our service improvements.	1	2	3	4	5	6	7
EBB7	I tell outsiders this is a good service brand to work for.	1	2	3	4	5	6	7
EBB8	I say good things about our service brand to others.	1	2	3	4	5	6	7
EBB9	I generate favourable goodwill for our service brand.	1	2	3	4	5	6	7

The following statements are about practices and procedures within your branch.

In general, I would say...		Strongly Disagree					Strongly Agree	
IC1	people in our branch actively attack problems.	1	2	3	4	5	6	7
IC2	whenever something goes wrong, people in our branch search for a solution immediately.	1	2	3	4	5	6	7
IC3	whenever there is a chance to get actively involved at work, people in our branch take it.	1	2	3	4	5	6	7
IC4	people in our branch take initiative immediately.	1	2	3	4	5	6	7
IC5	people in our branch use opportunities quickly in order to attain goals.	1	2	3	4	5	6	7
IC6	people in our branch usually do more than they are asked to do.	1	2	3	4	5	6	7
IC7	people in our branch are particularly good at realising ideas.	1	2	3	4	5	6	7

In relation to the questions you answered above, think about your confidence in answering them. Circle the response that best reflects your level of confidence.

I am confident...		Not at all					Very Much so	
EGQ1	I had the necessary knowledge to complete the questions and statements asked throughout this survey.	1	2	3	4	5	6	7

The following questions ask for general information about YOU. Please fill in or check the most appropriate answer...

EP	My designated title is _____.
EPY	I have been working in this position for _____ years.

ESFY	I have been working in this service firm for _____ years.			
EFY	I have been working in the service sector for _____ years.			
EAGE	My age (in years) is:	<input type="checkbox"/> Under 30	<input type="checkbox"/> 30 – 34	<input type="checkbox"/> 35 – 39
		<input type="checkbox"/> 45 – 49	<input type="checkbox"/> 50 – 54	<input type="checkbox"/> 55 – 59
				<input type="checkbox"/> 40 – 44
				<input type="checkbox"/> Over 60
EGEN	My gender is:	<input type="checkbox"/> Male	<input type="checkbox"/> Female	
EEDU	My highest educational qualification is:	<input type="checkbox"/> High school certificate	<input type="checkbox"/> Undergraduate degree	
		<input type="checkbox"/> Postgraduate degree	<input type="checkbox"/> Other (please specify) _____.	
EDEG	If you checked a box indicating a degree above, please indicate the area of study in your degree: _____.			

Thank you for your time and cooperation!